

ood's Hordes

...ing outside their home territory...
...s well for foreign sales of...
...of "Astoria" and "Coca-Cola"...

...the battle against Hollywood...
...what really counts is how well the film...
...in France last year, although total...
...circulation here rose to 11 million...

...French productions must account for...
...percent of films shown on television...
...the Canal-Plus, the pay television...
...and sports channel, is required to...

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Herald Tribune

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The World's Daily Newspaper

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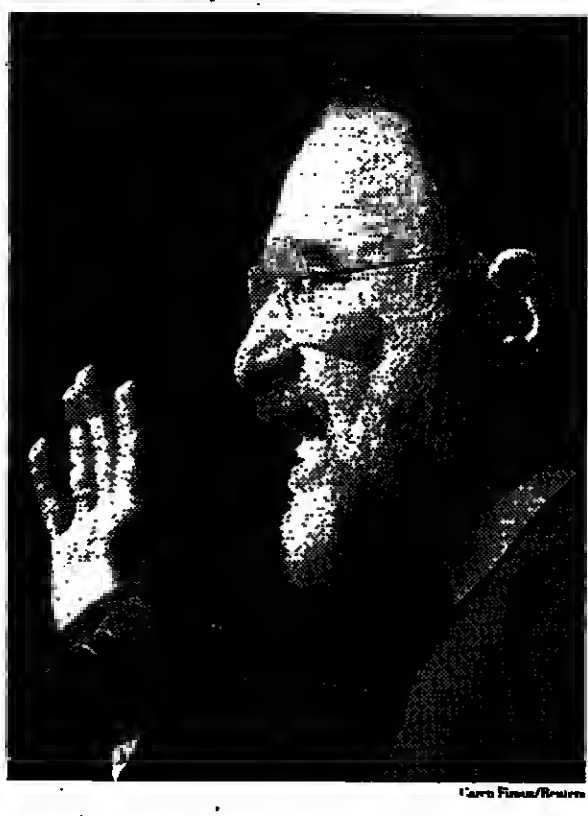
Paris, Friday, February 12, 1999

No. 36,063

TODAY:
Wired in Amsterdam Page 8
LEISURE



Iranian women, marching separately, waving pictures of leaders during Tehran observances of the 20th anniversary of the Islamic revolution led by Ayatollah Ruhollah Khomeini. After years of curbs, bans on music and amusements have been eased a bit.



Clinton Will Win, But by How Much?

Scandal Has Hurt Major Institutions

President Said to Be Bitter and Angry

By David S. Broder and Dan Balz
Washington Post Service

By Brian Knowlton
International Herald Tribune

WASHINGTON — A year of investigation and impeachment has reinforced negative trends in politics and the news media, widened the gulf between Washington and the American people and left the leaders of the country's major institutions on trial, according to scholars, public-opinion specialists and political analysts.

As the Senate trial of President Bill Clinton moves to its conclusion, the damage from the events of the past year is widespread. The president's personal reputation has plummeted as a result of his conduct. Congress has suffered from its displays of excessive partisanship, and the news media's reputation has been hurt by its accelerating appetite for scandal.

"The damage has been pervasive," said William Galston, a University of Maryland professor. "The real question is, how long-lasting?"

Virtually every institution that has come into contact with the scandal over the president's relationship with the White House intern Monica Lewinsky has come away tarnished.

"I think all the institutions involved have looked bad," said Sam Nunn, a former Democratic senator from Georgia, "except the Constitution of the United States."

But many analysts were quick to add that the long-term effects may be very different from those of the Watergate crisis 25 years ago, which caused President Richard Nixon to resign, enhanced the reputation of the press and shifted some power from the president to Congress.

The presidency, for example, may not be altered radically because of Mr. Clinton's misdeeds, although public expectations for occupants of the office may be lowered. Congress may not be the target of public ire, but congressional Republicans could be.

Still, the current spectacle, which has played to gradually diminishing audiences, could deepen the public's sense of cynicism and disillusionment toward politics and, this time, the press.

"My worry is that even after the impeachment saga comes to an end, the failure of the parties and of the entertainment-driven media will continue to reinforce the idea of politics as spectator sport — a sport that the public attends to only intermittently," said Michael Sandel, a professor at Harvard University.

Presidential scholars predicted that the long-term effect of the investigation and the impeachment trial on the presidency would be more limited.

"The institution of the presidency

WASHINGTON — With the Senate in the final hours of deliberation over the impeachment of President Bill Clinton, a House prosecutor harshly criticized Mr. Clinton on Thursday over a report that the president, angered by the impeachment trial, planned to focus on his Republican foes for defeat in the 2000 congressional elections.

The Senate majority leader, Trent Lott of Mississippi, had hoped to reach votes on the two articles of impeachment by late Thursday. But with more than one-third of the 100 senators yet to speak in closed session, the votes — and the end of the long, tortured national drama — were expected Friday.

"On or about noon tomorrow, this will come to a final vote," Senator Paul Coverdell of Georgia said during a break in the session.

Mr. Clinton's acquittal is considered a virtual certainty, but suspense remained over how many of the 55 Republicans would break ranks and join Democrats voting to clear the president. Three senior Republicans have said they favor acquittal on both counts. Only one or two of the 45 Democrats have given any hint that they might support conviction.

While Clinton aides have recently spoken of his desire for reconciliation and cooperation in the months ahead, there were signs that the bitterness engendered by months of charges and denials, and of personal humiliation for Mr. Clinton, would not quickly be dispelled.

The New York Times reported that Mr. Clinton was so furious with House Republicans that he had vowed to do everything possible to defeat many of them and win back Democratic control of the House in 2000. (Page 3.)

One of the 13 House prosecutors, Representative Chris Cannon of Utah, said the report showed that Mr. Clinton had declared "a personal vendetta against the House managers."

To single out certain Republicans for defeat, he said, "is the height of arrogance, the height of the arrogance of power."

The White House played down the report. The president's spokesman, Joe Lockhart, told reporters that Mr. Clinton was "very committed to working hard over the next year and a half to help Democrats retake the House and the Senate."

He added, however, "I can't think of a worse, more dumb strategy than going after people based on whether they were a House manager or not."

Most of the 13 prosecutors hold what are considered to be safe seats.

Clearly, however, many Republicans were infuriated by the talk of singling

America's Rosy China Policy Loses Its Bloom

7 Months After Clinton Visit, a New Reality

By Jane Perlez
New York Times Service

WASHINGTON — Seven months after President Bill Clinton's return from a picture-perfect trip to China, the promise of a new era in Chinese-American relations has faded, leaving the administration grappling with an unexpected round of human rights repression in China and mounting irritation in Congress about Beijing's threat to U.S. national security.

The retreat in the relationship can be seen as a contrast between the high expectations set by Mr. Clinton in China and the pessimistic tone set by political forces in both countries that are more intent on confrontation than cooperation, administration officials say.

Instead of showing signs of progress in its policy of "constructive engagement" with China, the administration is facing a squall of China-bashing in Congress. Even American business, a constituency that the administration's China policy has particularly tried to assist and the loudest advocate of closer ties, is complaining about Beijing's new

restrictions on foreign investment.

Stung by the revelations of a congressional inquiry that found that China stole sensitive U.S. military technology, administration officials say they are warily waiting for even more explosive details expected to be announced next month in a declassified report by the members of Congress who headed the inquiry.

At the same time, the Pentagon has said it is about to release a study that describes a dramatic buildup of missiles on the Chinese coast facing Taiwan.

A draft of the Pentagon report says that while China had fewer than 100 ballistic missiles on its coastline across from Taiwan five years ago, it is projected in three years to have 700 to 800 missiles poised against Taiwan, according to a senior administration official.

This assessment, said an administration official, is sure to create a "new wave of calls about the China threat."

In the face of these obstacles, the administration insists that its policy of constructive engagement still holds.

But in the next two months, in advance of the visit to Washington by

Missile Defense Criticism Is Broadened

Reuter

BEIJING — China broadened its campaign on Thursday against U.S. plans to develop missile defense systems, saying that their deployment could turn space into a "new battlefield."

A Foreign Ministry spokesman in Beijing said the missile defense system proposed by Washington threatened Asian stability and risked damaging China-U.S. ties. And in Geneva, Li Changhe, China's delegate to the United Nations Conference on Disarmament, said that Washington's plans to amend the Anti-Ballistic Missile Treaty to pursue the defense "umbrella" would upset the global strategic balance.

But military analysts in Beijing generally played down reports that, in response to the U.S. plans, Beijing had fielded large numbers of ballistic missile batteries aimed at Taiwan, saying that there was no immediate threat to the island.

"This has been in the works for a while," a Western diplomat said. "It was not unexpected."

The Foreign ministry spokesman, Zhang Qiyue, said that the high-tech-

nology theater missile defense system struck at U.S. ties with China as enshrined in three joint communiqués, under which Washington agreed to sell only defensive weapons to Taipei.

"Including Taiwan in any form in the TMD system would constitute violation of international law, the three joint communiqués and would by obstacles to the development and improvement of bilateral relations," Miss Zhang said. "It would also be counterproductive to peace and stability in Taiwan and the Asia-Pacific region."

Taiwan's Defense Ministry said Wednesday that China threatened the island with more than 100 M-class ballistic missiles.

U.S. military analysts, citing a Pentagon report, said Beijing had deployed from 150 to 200 of the solid-fuel missiles, up from 30 to 50 three years ago. "The momentum of development has increased, but the missiles are just a deterrent," said a military analyst in China.

The Chinese do not have the capability to mount a successful invasion, so this is China putting more emphasis on the stick approach rather than

See CHINA, Page 10

See MISSILES, Page 10

AGENDA

A Shake-Up at Top For Utah Olympics

The Salt Lake Organizing Committee, coping with a corruption scandal in connection with the 2002 Winter Olympic Games, undertook a shake-up Thursday that included hiring a Massachusetts venture capitalist, Mitt Romney, as its new president and chief executive officer.

As the committee announced reforms, including new conflict of interest rules, three of its leading members resigned. Page 18.

The Dollar			
	Thursday 4 P.M.	previous close	
New York	1.1228	1.1335	
Euro	1.6223	1.627	
Pound	1.6223	1.627	
Yen	114.555	114.45	
DM	1.7412	1.7282	
FF	5.6398	5.7901	
The Dow			
	Thursday close	percent change	
+185.15	9,383.46	+2.03%	
S&P 500			
+30.48	1,254.03	+2.49%	
Nasdaq			
+55.38	2,405.47	+4.15%	

Books	Page 9.
Crossword	Page 9.
Opinion	Pages 6-7.
Sports	Pages 18-19.
The Internet	Pages 4, 18.
The IHT online	www.ih.com

Newstand Prices	
Andorra	10.00 FF
Archie	12.50 FF
Carnegie	1.600 CFA
Egypt	5.50 FF
France	10.00 FF
Gabon	1.100 CFA
Italy	3.000 Lire
Ivory Coast	1.250 CFA
Jordan	1.250 JD
Kuwait	700 Fils
Lebanon	11.3,000
Morocco	16 Dh
Oman	10.00 QR
Qatar	12.50 FF
Saudi Arabia	10 SR
Senegal	1.100 CFA
Spain	250 Ptas
Turkey	1.250 Liras
U.A.E.	10.00 Dh
U.S. M.I.	\$1.20

Albright to Intervene in Kosovo Talks

By Joseph Fitchett
International Herald Tribune

PARIS — Secretary of State Madeleine Albright will intervene personally in the negotiations between Serbian leaders and ethnic Albanians about autonomy in Kosovo, U.S. officials said Thursday.

"She's going to roll up her sleeves and try to work through the security issues that are the core of the Kosovans' concerns," a Clinton administration official said. Mrs. Albright was to arrive in Paris on Saturday to push for a breakthrough in the talks.

Mrs. Albright's presence would add the weight of U.S. credibility to the option of conducting NATO air strikes if necessary to break a negotiating impasse — a threat that European governments have been less willing to brandish — if Slobodan Milosevic, the Yugoslav president, refuses to yield.

Mrs. Albright's strong advocacy of force was pivotal in bringing Mr. Milosevic to the negotiations, U.S. and European officials said.

U.S. tactics appeared to be focused on persuading the ethnic Albanian representatives to accept a peace plan centered on autonomy within the province, but short of independence.

If the ethnic Albanians agreed to such an accord and the Serbs refused, the North Atlantic Treaty Organization would be poised to execute its threat of air strikes to compel Mr. Milosevic to bow to Western demands and abandon his attempt to dominate Kosovo from Belgrade, U.S. officials said.

But NATO would not act against Yugoslav forces in Kosovo if the ethnic Albanians insist on pursuing the immediate demand of independence, a goal the West refuses to support, one U.S. official said from Washington.

Serbian negotiators have publicly offered to accept the principles in the Western plan, and Belgrade television repeated that position Thursday. But U.S. and French officials played down this apparent concession, saying that the Serbian offer concerned only broad points stipulated before the talks by the U.S., European and Russian negotiators.

"We consider that these points were accepted when the parties turned up" for the talks at Rambouillet, near Paris, a French official said, explaining that the negotiations centered on the still-secret blueprint for autonomy.

Stressing the scope of self-rule offered in the plan, the U.S. official said



Ethnic Albanians bearing 40 coffins, draped in Albanian flags, Thursday at the village of Racak, where the bodies were found shot to death Jan. 15. Kosovo rebels and foreign observers laid the killings to Serbs.

World Bank Admits Failings in Indonesia's Collapse

By David Sanger
New York Times Service

WASHINGTON — In a blistering evaluation of its own operations in Indonesia, the World Bank has concluded that its officials ignored corruption, growing repression and a collapsing financial system in the final years of President Suharto's 33-year rule.

The internal report, completed last week and made available to The New York Times, says that the bank knew of many problems but did not want to offend Mr. Suharto's government or threaten the image the World Bank had promoted of Indonesia as one of its great success stories.

The nation is one of the leading recipients of bank

lending. Over three decades, the World Bank spent more than \$25 billion in development projects there, and watched with pride as the share of the population living beneath the poverty line shrank to less than 11 percent in 1996 from 60 percent in 1970.

But the report concludes that Indonesia's rapid growth created a "halo effect" in its relations with Mr. Suharto that made the World Bank's top managers unwilling to deliver tough messages to the aging leader. It documents how specialists continued to issue rosy reports to the headquarters in Washington even after a financial crisis spread through Southeast Asia in the fall of 1997.

And it recounts how its sister institution, the International Monetary Fund, "reached a stage of open

confrontation" with Mr. Suharto a year ago, as he tried to save his family and friends from financial ruin at the expense of the country's economic future.

Mr. Suharto resigned under pressure in May. Indonesian officials who saw an earlier version of the report objected to many of its findings.

The report was written by a unit that is supposed to provide an independent assessment of the World Bank's performance in developing nations. It reports directly to the World Bank's board, and has been given greater powers since James Wolfensohn, the World Bank president, began an overhaul four years ago.

The assessment comes at a time of enormous debate

As Russia Pleads for Aid, Big Bank Scandal Erupts

By David Hoffman
Washington Post Service

MOSCOW — The Russian government, while trying to solicit more money and debt relief from the West, is enmeshed in a new and potentially embarrassing corruption scandal at the citadel of its financial system, the central bank.

The chief Russian prosecutor, just before abruptly resigning last week, sent a letter to the lower house of Parliament, the State Duma, disclosing the basic outlines of how a small, unknown offshore company handled about \$50 billion in Russian currency reserves over five years.

Few details have followed, but analysts said the allegations made so far offer a glimpse of the whole panoply of abuses that have plagued Russia in recent years.

These include the exploitation of government money for private gain, the use of secretive, offshore shell companies to hide cash and the helplessness or

complicity of high-level officials in such schemes.

It is not unusual for governments to invest their hard currency reserves overseas, for example in the bonds of another government, but it is highly unusual to turn the investments over to a small, unknown company.

"Most central banks manage their own reserves," said Charles Blitzer, director of emerging markets research at Donaldson, Lufkin & Jenrette in London. "What appears to have happened here, some amount, we don't know the facts yet, were run through an offshore company, and it's not clear why, not clear how much, not clear what returns were made on these assets, what fees were paid and who ultimately pocketed those fees."

Financial analysts speculate that the firm, Financial Management Co., or Fimaco, earned lucrative commissions for dealing with Russia's money.

Yuri Skuratov, the outgoing pro-

See RUSSIA, Page 13

See BANK, Page 10

Political Terrorism / Leaders Attempt to Crack Down

Ripping at Karachi's Seams, Faction Wars Spill Out Mayhem

By Barry Bearak
New York Times Service

KARACHI, Pakistan — Murderous and macabre, Karachi is a patchwork of robust commerce and urban detritus, where modern seaside high-rises loom above mud-caked squatter colonies and much of the water supply is delivered by donkey cart.

Common thugs moonlight as political operatives, and a Kalashnikov rifle is easy to rent for \$10 a week. With 10 million people, it is one of the world's largest and most dangerous cities.

For nearly a decade, two predatory political factions with terrorist elements — the Muttahida Qaumi Movement and its rival outfit, the Haqqi — have fought each other and, very often, the police and the army.

Karachi has slipped back and forth between times of deadly mayhem and brutal crackdowns, the one a disease that is crippling the city and the other a temporary remedy that many here say only ensures more violence ahead.

Right now is a period of crackdown. The Pakistani prime minister, Nawaz Sharif, has used his constitutional powers to turn over control of Sind Province, which includes Karachi, to his appointed governor, Moynuddin Haider.

"What choice was there, with terrorists killing people every day, mutilating their bodies, cutting them up, stuffing them in sacks and dropping them around the city?" asked General Haider, who had recently retired.

Much of Pakistan, not just Karachi, suffers from lawlessness. While Mr. Sharif's get-tough tactics may combat crime, it is commonly believed that he also wants tighter control over his economically troubled country than his popularity has plummeted.

In Karachi, police officers and paramilitary troops were unleashed to capture people accused of being terrorists, and thousands of people were taken into custody like minnows in a sea.

Workers of the Muttahida Qaumi Movement, or MQM, Karachi's main political party, have been particular targets of the crackdown. The party successfully competes in elections and ruthlessly kills and extorts in the streets. Its support comes from Urdu-speakers known as Mohajirs, whose families migrated from India a half-century ago and formed much of the city's business class.

For the "speedy and inexpensive justice" that he insists is a must, Mr. Sharif had little faith in the existing courts and their overwhelmed, often intimidated judges. In December, citing conviction rates of less than 1 percent, he enlisted military officers to try criminal cases, a strategy he says he now hopes to expand to the rest of the country.



A man whose son was sentenced to death being consoled by relatives after hearing the ruling. In an effort to control crime in Karachi, the Pakistani prime minister, Nawaz Sharif, enlisted military officers to try criminal cases.

Under the procedures in Sind, General Haider chooses cases for three-judge military tribunals, and the time between a trial and an execution is measured in weeks.

The near-hanging of Mohammed Saleem, 14, is an example of how this refashioned justice is working, though whether these workings are a horror or a triumph is in dispute.

During one of the military's swiftly held trials, Mohammed, an illiterate carpet-weaver, was convicted along with several others in the terrorist murder of three policemen. No defense was presented for the teenager, though he had a solid alibi and witnesses to back it up.

Ignored as well was his age: He was too young to be legally tried as an adult.

On the other hand, the young man lives, and to many here that shows that the system is fair as well

as fast. Though Mohammed had but three days to file an appeal, an outcry from the shanties where he lived was enough to alert human-rights lawyers to his case. A second military panel set him free, sending him home from the central jail's Death Cell 14, a stark cement room where he awaited the noose with only a blanket and a pan.

In two months, 13 people have been sentenced to death, though after a murderer and a rapist went to the gallows, the Supreme Court suspended executions and is considering whether the prime minister had the authority to set up this parallel system of justice.

Whatever the legality, the effects have been tranquilizing. The number of murders in Karachi, according to official statistics, has fallen sharply. The monthly total last June was 139; in December it was 37.

Such statistics are encouraging to Mr. Sharif, who has increasingly relied on the military for civilian chores. Soldiers now run the government's water and power company. They conducted the census in this, the world's eighth most populous country, and are repairing the roads.

The crackdown in Karachi involves political calculation on Mr. Sharif's part, some say. "Sharif had an alliance with the MQM, and when the deal came apart he did what any cutthroat would do," said Ardesheer Cowasjee, an acerbic political commentator and retired businessman. "In this country everything is possible in the name of power and greed."

When Mr. Sharif was elected in February 1997, his party, the Pakistan Muslim League, made a deal with the MQM. Together they held enough legislative seats to form a coalition to head Sind's provincial government.

In the bargain, Muttahida Qaumi was granted several ministries, the release of thousands of its jailed workers and reparations for the government's excesses against the party in 1992 and 1995.

But from the start, the two partners bickered about how the deal was being fulfilled. Political violence again menaced the peace. Muttahida Qaumi terrorists, including some newly sprung from jail, were taking revenge against the rival Haqqi faction and law-enforcement officers, occasionally using rockets and grenades.

When the coalition finally came apart, the police, who had been held back while the MQM shared power, were pleased to be set loose.

"It was time to retake control," said Farooq Amin Qureshi, deputy inspector-general of Sind's police, whose wall calendar that shows some of the 420 officers killed in action in the last five years.

The police dragnet, he said, extends far beyond the two feuding political factions. Thousands of people suspected of being criminals have been detained, and while the inspector insisted that torture had never been employed in questioning, some of his ranking assistants, exchanging anonymity for candy, admitted the opposite.

"Without sophisticated forensics, these are our tools of investigation," one said.

But then there is Mohammed Saleem, the 14-year-old who narrowly escaped the noose, who lives with the dismal repercussions of the crackdown. He still suffers pain from the torture applied during interrogations. And there is his financial plight. He paid a worthless lawyer \$2,000 to defend him in his first trial. To get the money, the young carpet weaver had to borrow from his employer, and now he is a bonded laborer, he said, grimly estimating the length of his indenture. "Twenty years, I think, 20 years tying knots at the loom."

Move Civilians Out of Battle, Eritrea Is Told

Agence France-Press

ADDIS ABABA, Ethiopia — Ethiopia warned Eritrea on Thursday to evacuate civilians from frontline zones in their border war as the United Nations organized the departure of non-Ethiopian Americans from the two Horn of Africa countries.

Ethiopian government sources said battles continued for the sixth day — despite declarations in Asmara, the Eritrean capital, that no fighting had taken place on Wednesday — and that the clashes were particularly ferocious on the western Badme front.

Both governments reacted with dismay to a UN Security Council vote demanding an immediate halt to hostilities and urging a ban on the sale of arms and ammunition to both.

Salome Tadesse, a spokeswoman for the Ethiopian government, said the cease-fire demand was illogical.

"Ethiopia does not want this war," she said. "Ethiopia has been attacked in its national sovereignty. If you are attacked on your own land, what do you do?"

In Asmara, an Eritrean Foreign Ministry official said his government was dismayed the council had not named Ethiopia the aggressor.

In Addis Ababa, a communiqué issued by Mrs. Tadesse's office said: "Ethiopia calls on Eritrea to evacuate civilians from the battle zones."

Asmara charged Tuesday that an Ethiopian aerial bombardment of the village of Laili Deda, close to the western front, had killed five civilians.

The communiqué said that if this were true, "the Ethiopian government sincerely regrets these civilian deaths."

It added, however, "Eritrean authorities should have ever positioned civilians so close to the hostile border for any length of time."

The United States was organizing what amounts to an evacuation of Americans in non-Ethiopian jobs in Ethiopia and Eritrea, a diplomat said.

The U.S. government, which is officially "requesting" the departures, will pay the travel expenses of such Americans working at the U.S. embassies in the two capitals, and of those with the Peace Corps and the U.S. Agency for International Development, along with their families, he said.

Pope May Visit Hong Kong This Year

Delicate Move Comes Amid Indications of Thaw in Tensions With Beijing

By Erik Eckholm
New York Times Service

BEIJING — Pope John Paul II is considering a visit to Hong Kong later this year, according to church officials in China and Hong Kong.

Such a visit could soften the decades-old standoff between the Vatican and China's Communist government, which has sovereignty over Hong Kong.

The Vatican and China have also engaged in secret discussions about improving relations, said a Chinese Catholic bishop in a recent magazine interview.

But the 82-year-old bishop of Shanghai gave no sign that the two sides were overcoming their bitter history.

Even a papal visit to Hong Kong, with its autonomous status, may be too

freighted with politics to be feasible, church officials say.

After taking over China in 1949, the Communists severed ties with the Vatican and created a "patriotic" church, which now is reported to have 4 million members.

But many Chinese Catholics have remained defiantly loyal to the Pope and owe as many as 6 million, by outside estimates, worship illegally, and their leaders are often arrested.

China demands that religious groups be subservient to the Communist Party, while the Vatican insists that the Vatican must have authority over appointment of bishops and other matters.

Further angering China, the Vatican maintains diplomatic ties with Taiwan, which China considers to be a renegade province.

Under the "one country, two systems" model that gave Hong Kong autonomy when it joined China in 1997, the Catholic Church there continued to report to the Vatican.

After a synod of Asian bishops at the Vatican last spring, church officials said the Pope might visit Hong Kong, New Delhi or Jerusalem to report conclusions.

Now, in an interview with an Italian Catholic magazine called 30 Giorni, the bishop of Shanghai, Aloisius Jin Luxian, has said that church leaders in Hong Kong were promoting a papal visit there.

Officials in Rome as well as the Catholic Diocese of Hong Kong said Thursday that there had been no decision yet about the Pope's Asian visit, expected to occur late this year.

"Of course, we'd like the Pope to come here," said a Hong Kong official spokeswoman of the diocese, Mary Seung.

"A papal visit to Hong Kong now would be a breakthrough," said Beatrice Leung, an expert on politics and religion at Lingnan College in Hong Kong.

Asked whether Beijing would allow a visit, a spokeswoman for China's Foreign Ministry said Thursday that the decision, it was felt, would have to be left in the hands of the Hong Kong government.

But the spokeswoman, Zhang Qiyue, added that China's ties with the Vatican could improve only if it severed diplomatic relations with Taiwan and agreed not to interfere in the internal affairs of China, including religious affairs.

In his interview, Bishop Jin of Shanghai expressed a yearning for reconciliation, saying: "The Pope represents the Supreme Leader of all the world's Catholics including those in China."

Bishop Jin also said that the Vatican and China were engaged in a dialogue and that he dreamed of seeing a papal nuncio in Beijing.

Past negotiations have gone nowhere. Still, Pope John Paul II has said he hopes some day to visit China.

TRAVEL UPDATE

Further Disruptions At American Airlines

FORT WORTH, Texas (Bloomberg) — AMR Corp.'s American Airlines, the world's second-largest carrier, canceled 1,100, or 49 percent, of its flights Thursday amid signs that pilots are resisting a federal judge's order to end a six-day protest and return to work.

Pilots began calling in sick on Saturday after the sides failed to settle pay and job issues linked to AMR's purchase of low-fare airline Reno Air Inc., forcing cancellation of thousands of flights.

International Flights

To Helsinki Rerouted

HELSINKI (AP) — All international flights to the Finnish capital on Saturday are to be rerouted to Turku and Tampere because of an air traffic controllers' strike, officials said Thursday, and passengers who end up in those cities will have to make their way to Helsinki by land.

Air passengers traveling to or over Switzerland at the end of February should expect delays as new air traffic controllers are put in place, Swiss aviation authorities warned Thursday. (AP)

Carnival '99 starts Friday in Brazil, and political and economic life will come to the traditional standstill. (APF)

Snow fell in Rome on Thursday for the first time since 1986, disrupting traffic and public transport. (AP)

Protection Walls Save 12 Lives In New French Alps Avalanche

Compiled by Our Staff From Dispatches

CHAMONIX, France — Twelve people were evacuated from the French Alps on Thursday after a fresh avalanche roared down a mountainside near the Chamonix region where 11 people were killed earlier this week.

No casualties were reported in Thursday's avalanche in the region of Les Houches.

The 12 people evacuated had been staying in two chalets, the police said.

Mountain rescue teams from Chamonix were alerted at 4:20 A.M. The avalanche took place in an area equipped with concrete avalanche protection walls, which "worked well" and prevented any damage, Les Houches officials said.

As a result of the avalanche Thursday, the Mont Blanc tunnel between France and Italy was closed off in both directions for safety reasons, road authorities said.

Meanwhile, rescuers dug out an 11th body from the earlier avalanche. A spokesman said they had found the body of a woman and were checking whether she was one of two people who had been reported missing.

Rescuers brought in heavy machinery to remove hundreds of tons of snow and the rubble of destroyed chalets to try to find the two people who were still missing in the French hamlet of Montroc, near Chamonix.

Ten people, all French, were found dead Wednesday after the avalanche hurled 1,000 meters down the mountain, going about 100 meters up the

opposite slope to smash 17 chalets in an area registered as safe for construction.

About 150 rescuers resumed work at Montroc at daybreak after suspending the search overnight for fear of fresh avalanches.

The chances of finding those buried alive more than 36 hours after the disaster were slim because they would very likely have died of exposure if they had survived the blast of the avalanche and suffocation from the powdery snow.

So far experts said the risk of avalanches was still very high, although the return of good weather was gradually making the snow more stable and safer.

While the weather improved, rail traffic between France and Switzerland in the Jura Mountains was still cut by snowdrifts.

Meanwhile, about 25,000 tourists blocked for five days by snow in western Austria were able to leave after main roads in the region were cleared, an official said Thursday.

Virtually all main routes in the Tyrol and Vorarlberg regions were clear, and most of the tourists were able to leave by late Wednesday, said Gerhard Koch of the Austrian touring club.

Only one village remained blocked, he said.

The opening up of the region came a day after the Austrian Army airlifted supplies to tourists trapped in the Tyrolean resort of Galtner.

"Galtner is being supplied from the air, but generally the situation has improved considerably," a spokesman for the Tyrol tourist board said. (APF, AP)

Gideon Rafael Is Dead at 85; Long-Serving Israeli Diplomat

By Joel Greenberg
New York Times Service

JERUSALEM — Gideon Rafael, 85, a founder of the Foreign Ministry of Israel and one of its most accomplished and longest serving diplomats, died in Jerusalem on Wednesday.

During a long career that began before Israel was established, Mr. Rafael negotiated with the Nazis to send Jews to Palestine, served at the United Nations and in Europe, and conducted secret contacts with Arab states. He was also a frequent contributor to the International Herald Tribune.

Born in Berlin in 1913, Mr. Rafael left Germany after Hitler's rise to power and immigrated to British-ruled Palestine in 1934.

In 1940 he was sent to Europe by the Haganah, the Jewish armed force in Palestine, to negotiate the rescue of 40,000 German Jews. He met in Italian-controlled Rhodes with a representative of Adolf Eichmann, the Nazi leader, to discuss a plan to send Jews to Palestine through a transit camp on the island. The

scheme failed when Italy entered World War II.

After serving with the British Army during the war, Mr. Rafael joined the political department of the Jewish Agency, where he did intelligence work and was put in charge of efforts to recover Jewish property lost in Europe.

In 1947, he was a member of the Jewish Agency's delegation to the United Nations when the General Assembly voted to partition Palestine into Jewish and Arab states.

After Israel declared independence in May 1948, Mr. Rafael founded its Foreign Ministry in Tel Aviv with Moshe Sharett, the country's first foreign minister.

Mr. Rafael was the Israeli ambassador to the United Nations during the 1967 Arab-Israeli war. Earlier, he had served as ambassador to Belgium and the European Community, and to the United Nations organizations in Geneva.

After a stint as director-general of the Foreign Ministry, he served as ambassador to the United Kingdom from 1973 to 1978, when he retired.

Correction

An article Monday incorrectly associated the European Human Rights Court with the 15-nation European Union. The court is the judicial arm of the 40-nation Council of Europe, which includes Central and Eastern European states, Russia and Turkey.

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THE AMERICAS

Payback Time: Clinton Targets Foes Up for Re-election

By Richard L. Berke
and James Bennet
New York Times Service

WASHINGTON — President Bill Clinton is so furious at House Republicans over his impeachment, his advisers say, that he has vowed to mount an all-out offensive to defeat many of his foes and win back the House for Democrats in 2000.

Mr. Clinton has already committed to early fund-raising events in nine cities — the first will be in San Francisco in two weeks — to amass a war chest to help House Democrats. His advisers, who spoke only on condition of anonymity, described

how the president regularly rattled off details about House Republicans who may be vulnerable, based on their margins of victory in the 1998 election and Mr. Clinton's own vote performance in their districts when he was re-elected in 1996.

They said Mr. Clinton now viewed winning back the House as almost as important an affirmation of his legacy as electing Vice President Al Gore as his successor.

But if Mr. Clinton's partisan zeal is viewed by Republicans as a personal vendetta, it could undermine another goal that the president considers crucial to his legacy: his legislative priorities, notably a drive to

rescue the Social Security system. But Mr. Clinton has assured Democrats that they can work with Republicans to pass legislation and still have plenty of political ammunition for the elections next year.

The president is particularly angry at the House members who managed the prosecution of his impeachment trial in the Senate, according to his advisers, believing that they have needlessly prolonged the trial. But most of the House managers are from districts that are considered politically safe for them.

"He knows the districts, he knows the candidates, and he doesn't like these people," said an

adviser who has discussed the next elections with Mr. Clinton. "He's obviously real hot on the managers. He thinks winning back the House is part of his legacy."

White House officials said they were aware that there was only so much a president could do to help congressional candidates. They said he could be most effective in raising money and in recruiting candidates.

Presidents Franklin D. Roosevelt and Richard Nixon, despite high personal popularity, both failed in efforts to defeat specific congressional candidates.

Mr. Clinton's intense interest in the congressional contests is all the

more striking because leading House Democrats have long complained that he has not been particularly engaged in House and Senate races. Many blame him for the Democrats' loss of House control in 1994 and for not winning it back in 1996 and 1998.

Another adviser who has spoken to the president about winning back the House in 2000 said, "It will be a personal crusade." He added: "The man knows he's done wrong. But he also knows they should not have taken it to the extreme they have. He says: 'It's the unfairness of this whole process. These right-wingers who tried to undo the election.'"

Beyond his scorn at House Republicans, several advisers said Mr. Clinton also was motivated by gratitude to Representative Dick Gephardt, the Democratic leader in the House, for deciding not to challenge Mr. Gore for the Democratic presidential nomination. He also is described as indebted to House Democrats for sticking by him and ensuring that his impeachment could not be called a bipartisan decision.

Besides the House managers, Mr. Clinton told Mr. Gephardt he was determined to defeat Representative Jay Dickey, an Arkansas Republican, according to people familiar with the conversations. Mr. Dickey was elected in 1992, and his district includes the president's boyhood homes of Hope and Hot Springs.

Ed Bryant, a Tennessee Republican who is a House manager, said: "If he feels he has to vindicate himself by going after House managers, then he has to do that. All I can say is that we as a House, the majority, felt that we certainly didn't put him in this predicament. If anybody ought to be upset, it ought to be American people, with the president, for doing those things."

The president's impeachment also has emboldened other Democrats to say they are eager to unseat House Republicans.

"After these years of Ken Starr, people are more energized than I've seen them since the '60s and '70s," said David Geffen, an entertainment executive and major Clinton supporter. Referring to James Rogan, a California Republican who is considered one of the most vulnerable House managers in 2000, he added, "Many of us are looking forward to spending time and money and effort to defeating James Rogan."

People for the American Way, a liberal group, announced a \$5 million television, organizational and grassroots campaign Wednesday aimed at unseating congressional Republicans. "Impeachment was the catalyst that shocked and angered voters," said the group's president, Carol Shields.

White House officials have not been shy about saying how they plan to use the Republicans' impeachment votes against them. "Every one of those distinguished citizens is now on record saying they not only want to shut the government down but they want to kick the president out," a senior Clinton strategist said.

House and Senate Democrats are planning a series of joint fund-raising events starting the president to present what officials described as a "Democratic unity message." The goal is to raise \$10 million in 1999.

Jury Awards \$51.5 Million In Damages To a Smoker

By John Schwartz
Washington Post Service

WASHINGTON — A San Francisco jury has awarded \$50 million in punitive damages to a former Marlboro smoker with inoperable lung cancer — the largest jury verdict ever against a tobacco company and a potential harbinger of a new wave of tobacco litigation.

The San Francisco Superior Court jury's decision Wednesday came after a day of deliberations, and a day after awarding \$1.5 million in compensatory damages to Patricia Henley, 52, who smoked her first Marlboro at the age of 15 during a high school dance two years before the landmark report of 1964 by the surgeon general that labeled smoking as a cause of lung cancer and other diseases.

The legal defeat for the tobacco giant Philip Morris Cos., the maker of Marlboros and several other brands, could throw open the floodgates for individual lawsuits against tobacco companies, long considered a losing proposition for trial lawyers, analysts said. Only three other individual lawsuits over conventional cigarettes have ever been decided in favor of plaintiffs, and all of those cases have been overturned on appeal.

The case also marked only the second time a jury had awarded punitive damages in a tobacco case, and the \$51.5 million total easily dwarfs any previous decision.

"Tobacco litigation is alive and well," said Edward Sweda of the Tobacco Products Liability Project at Northeastern University.

Gary Black, a tobacco-industry analyst who is normally bullish on the industry's prospects, agreed. "You're going to have hundreds of new lawsuits filed in California," he said.

During the four-week trial, Ms. Henley's lead attorney, Madelyn Chaber, accused the company of targeting underage smokers and covering up scientific evidence that smoking causes cancer through a long propaganda campaign.

Ms. Chaber told the jury that nearly a decade ago, when Ms. Henley sought information from a Philip Morris toll-free telephone service about the health risks of smoking, a company representative stated the company's position that smoking did not cause cancer but suggested that if she was concerned, she could switch to low-tar brands.

Ms. Henley then became a Marlboro Light smoker — and went from smoking two packs a day to smoking three. She tried unsuccessfully to quit once, finally succeeding in the fall of 1997 after suffering from coughing fits and other symptoms. Doctors diagnosed her cancer in January 1998.

An attorney for Philip Morris, William Ohlemeyer of the Kansas City firm of Shook, Hardy & Bacon, argued that Ms. Henley's cancer actually originated in her thyroid and not in her lungs and suggested that Ms. Henley should have been aware of the health risks of tobacco and that she had voluntarily assumed those risks.

Shares in Philip Morris dropped \$4.1875, or 10 percent, on Wednesday, closing at \$41.1875, partly in response to the news of the \$1.5 million verdict on compensatory damages.



CHILEANS AT ODDS — A supporter of Augusto Pinochet's, right, arguing with an opponent Thursday in Santiago during a rally to press for the ex-dictator's release from custody in Britain.

Miranda Warning Law Challenged

By William Glaberson
New York Times Service

WASHINGTON — It sat there unused by prosecutors for 30 years. But this week, a federal appeals court in Virginia dusted off a law passed by Congress in 1968 and used it to declare that federal law-enforcement officials need not follow one of the country's bedrock legal rules, the "Miranda" rule, which criminal suspects routinely are read their rights.

From coast to coast, prosecutors, defense lawyers and legal experts said that the ruling was the most serious challenge to Miranda v. Arizona since the Supreme Court issued that ruling in 1966.

Over the past three decades, Miranda has become part of the language and its "You have the right" warning one of the most familiar incantations of American culture. The Miranda ruling said people in police custody should be told that they had the right to legal representation and that any statements they made could be used against them.

The court in Richmond, Virginia, held Monday that Congress overruled the Miranda decision in its 1968 law, which sought to make it easier for federal prosecutors to use confessions.

The 1968 law, part of a crime-control bill, said that a confession "shall be admissible in evidence if it is voluntarily given."

The appeals court ruling took place not because of an argument from the government, but because private conservative organizations had filed friend-of-the-court briefs. In fact, the Justice Department has never enforced the 1968 law and now argues that it was unconstitutional.

The court in Richmond, which has a reputation as one of the most conservative in the country, dismissed that position as political. "Fortunately, we are a court of law and not politics," the majority opinion said.

One of the three judges on the panel dissented in the decision. Legal experts said the ruling almost certainly would be reviewed by the full 13-member 4th U.S. Circuit Court of Appeals in Richmond, and could lead to a reconsideration

by the Supreme Court of the Miranda ruling.

"It sets the stage for a significant Supreme Court decision revisiting the status of Miranda," said A.E. Dick Howard, a professor of constitutional law at the University of Virginia.

The Miranda requirement that suspects be told their rights has been interpreted to apply to both federal and state law-enforcement officials. But the 1968 law applied only to federal prosecutors, so the decision Monday would apply only to federal cases in the five states governed by the Richmond court.

State law-enforcement officials in those states and elsewhere are unaffected by the ruling, and Miranda warnings are to remain standard practice unless the Supreme Court retreats from its 1966 decision.

The Supreme Court has repeatedly undercut the strength of its own Miranda ruling over the years by saying in later decisions that Miranda warnings were merely "prophylactic" and "not themselves rights protected by the constitution."

AMERICAN TOPICS

In California, a Million Bucks Just Ain't What It Used To Be

Clearly, a million bucks ain't what it used to be. In Southern California, sales of homes worth \$1 million or more are at an all-time high — but in cities like Malibu and Laguna, that solid-sounding sum no longer guarantees a swimming pool or an ocean view, and some million-dollar homes have only three or four bedrooms.

The big-buck homes are even being mass-produced, reports the Los Angeles Times. Across the region, 30 subdivisions of homes priced at \$1 million and above are under construction, and some have waiting lists. The trend marks a dramatic change from only three years ago, when sales of million-dollar homes slumped to their lowest recorded level.

Nationwide, 1,345 people became millionaires every day in 1997, a 72-percent increase from 1990 and the highest level ever, according to Spectrum Group, a San Francisco consulting firm.

Short Takes

An environmental coalition has petitioned

Bruce Babbitt, the interior secretary, to ban snowmobiles from the 28 places that allow them among the National Park System's 378 sites.

The Bluewater Network move reflects growing public intolerance with the noise, risks and air pollution of off-road recreational vehicles. Thirty years after they first gained popularity, snowmobiles are still so noisy that they are sold without horns, and their emissions are dirtier than the huff smoke issued by 1950s automobiles, reports The New York Times. The Bluewater Network, which represents about 1 million people, said a modern snowmobile emits 1,000 times the hydrocarbons and nitrous oxides of a modern car. At Yellowstone National Park, which gets 60,000 snowmobile visits a year, exhaust from the vehicles has caused nausea among park rangers, forcing the park to pump fresh air into ticket booths.

But the \$6 billion snowmobile industry is enjoying a renaissance, boosted by more-reliable machines and winter sports clothing. After a slump in the 1980s, the number of snowmobiles registered nationwide has rebounded to 1.4 million. Some 2.5 million people ride them each winter, and enthusiasts insist there is enough public land for everyone.

In Maine, meanwhile, legislators have decided that motorcyclists do not deserve special protection under the state Human Rights Act. Bikers say their black leather outfits and tattoos often lead to discrimination at restaurants

and hotels. The Judiciary Committee rejected a proposal to amend the rights act — which bars discrimination based on race, sex, religion, national origin or disability — to include motorcyclists and those who wear clothing displaying the name of a motorcycle group.

A similar proposal passed in Minnesota. That, of course, is the state that recently elected a former professional wrestler, Jesse Ventura, governor.

The Reverend Jerry Falwell, the television evangelist, has suggested that Tinky Winky, a bag-carrying character on the popular children's show "Teletubbies," is gay. An article in his National Liberty Journal noted that Tinky Winky, in addition to carrying a "purse," was purple, "the gay-pride color," and had an antenna shaped like a triangle, "the gay-pride symbol." (The Tubbies have television screens on their tummies.)

Steve Rice, a spokesman for Isy Bitsy Entertainment Co., which licenses the British show in the United States, said the purse is actually a magic bag.

"The fact that he carries a magic bag doesn't make him gay," Mr. Rice said. "To think we would be putting sexual innuendo in a children's show is kind of outlandish."

Mr. Falwell contends the "subtle depictions" are intentional and constitute a role model that could be "damaging to the moral lives of children."

Brian Knowlton

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ERICSSON

Study Exposes Americans' Troubles with Sex

By John Schwartz
Washington Post Service

WASHINGTON — A large number of American men and women are unlucky in love — or, at least, in sex — according to the first study to explore the full range of sexual problems of men and women in the general population since the Kinsey reports of a half-century ago.

Four out of 10 women and nearly one-third of men suffer from a variety of problems in the bedroom, that are grouped under the general heading "sexual dysfunction," according to the new study. The list includes lack of sexual desire, physical pain during intercourse, an inability to become sexually aroused or to complete sexual acts, premature climax and anxiety about sexual performance.

"The rates are far higher than anyone had really anticipated," said Edward Laumann, a sociology professor at the University of Chicago and lead author of the study. Yet if anything the prevalence of sexual problems is higher than the survey findings indicate, he said. "You don't really expect people to rush up and tell people they're impotent."

More important, Mr. Laumann said, most people who experience sexual difficulties do not seek help from doctors or sexual educators — only one in 10 men and one in five women — so the "iceberg effect" here is really enormous, and could help to explain the interest in the anti-impotence drug Viagra.

"With the strong association between sexual dysfunction and impaired quality of life, this problem warrants recognition as a significant public health concern," concluded the authors, whose work appeared in Wednesday's edition of the Journal of the American Medical Association.

Men and women go through sexual difficulties at different life stages, the study shows. Women tend to have problems in youth while men's problems grow more pronounced with age. Married men and women appear to have fewer sexual problems than singles, and education was linked to sexual satisfaction.

The study was based on data from the 1992 National Health and Social Life Survey, a comprehensive research effort involving 90-minute, face-to-face interviews with 1,749 women and 1,410 men. That was enough, the researchers estimate, to be a representative sample of 97 percent of the nation.

POLITICAL NOTES

Probe of Starr? Reno Not Talking

WASHINGTON — Attorney General Janet Reno refused direct comment on whether her department is looking into possible prosecutorial wrongdoing by the independent counsel Kenneth Starr, but said Thursday that she would not interfere with his investigation.

At her weekly news conference, Ms. Reno repeatedly parried questions about news reports saying the Justice Department would investigate whether Mr. Starr overstepped his bounds in the early days of the Monica Lewinsky investigation.

"As I have said all along, I try not to comment with respect to the independent counsel's function," Ms. Reno said. "I will, however, continue to look to see how I may comment in a way that is fair to all concerned, consistent with the law and consistent with ethical considerations."

"I have tried my level best to do this the right way, to ensure that there was no effort whatsoever to interfere with his investigation," she said. "And I am convinced that nothing has been done, but I will continue to work to ensure that result."

Under the law establishing independent counsels for some political cases, the attorney general cannot take any disciplinary action against the prosecutor short of firing. Ms. Reno has stated that she would not undertake an investigation of an independent counsel unless the charges were severe enough to merit firing.

Mr. Starr was appointed more than four years ago to investigate the role of President Bill Clinton and Hillary Rodham Clinton in an Arkansas land deal and related matters.

Ms. Reno approved Mr. Starr's request more than a year ago to expand his Whitewater inquiry into allegations related to Mr. Clinton's relationship with Ms. Lewinsky. (AP)

Another Bid for Buchanan?

WASHINGTON — Pat Buchanan, the fiery conservative populist who shook up the Republican presidential race in 1996, is seriously considering a third campaign for the presidency, associates said Thursday.

"I can confirm he is seriously looking at it," said Mr. Buchanan's sister, Bay Buchanan, who ran his 1996 campaign. "We are looking at individuals we might use on the campaign staff if he decides to run."

Other associates of Mr. Buchanan said he was leaning toward running in next year's election and had even provisionally tapped a campaign manager and finance director. He has tentatively scheduled a public announcement for March 1, they said.

Mr. Buchanan, 60, has kept a relatively low profile recently, devoting himself to his job as a political pundit and television commentator.

Many Republicans assumed he would not run again for the presidency. (Reuters)

Quote/Unquote

Senator James Jeffords, Republican of Vermont, as he formally announced that he would vote to acquit President Clinton on both articles of impeachment: "Whatever the final outcome, I will leave this trial with the knowledge that the president has indeed committed shameful acts, misled the American people and brought disrepute on the office of the presidency." (NYT)

Away From Politics

Seven men and five women have been chosen in Jasper, Texas, to decide the fate of a suspected white supremacist who could face the death penalty in the dragging death of a black man. District Attorney Guy James Gray said that he was barred from commenting about the panel, but added: "It is not an all-white jury." (AP)

Foiled in their first attempt, U.S. demolitions experts came back with bigger explosives and napalm Thursday in an attempt to ignite the fuel from a Japanese-owned cargo ship mired off the Oregon coast and save beaches from a disastrous spill. (AP)

A man from Newcastle upon Tyne, England, with a history of sex offenses against children was charged Thursday with contributing to the delinquency of a child after he traveled to Ohio to meet and marry a 15-year-old girl he met on the Internet, police in Springfield, Ohio, said. (Reuters)

Eastman Kodak Co. is recalling 120,000 AC adapters for digital cameras because of an electrical problem that could cause camera batteries to leak acid and explode. (AP)

Papers signed by Babe Ruth when he bought a home near Boston in the 1920s were discovered to be missing one day after a probation officer in Suffolk County, Massachusetts, was charged with stealing dead baseball players' wills. (AP)



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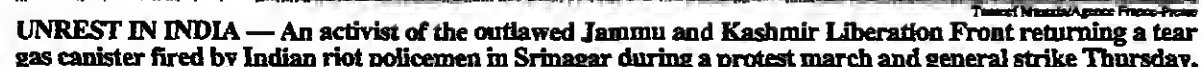
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It Happens at the Hilton.

By Mark Dodd
New York Times Service

"There will be no bargaining in the next general election," General Subagyo said, ruling out talks between political groups and the military, which in the past has backed the governing Golkar party.



one point, noting that he had policy differences with Mr. Mahathir before he was fired last year as deputy prime minister and finance minister. "I disagreed, and now I am out," he said. "I have never seen such conspiracy and fabrication in this country."

The military government says more than 10,000 members of the National League for Democracy have voluntarily resigned, and more than 40 township party offices have been closed.

bers of the National League for Democracy have voluntarily resigned, and more than 40 township party offices have been closed since September. (AP)

In denying to the Taiwan journalists that Indonesia had any official policy of discrimination against its Chinese minority, Mr. Habibie said that the situ-

...were "a stark reminder to Singaporeans on how internal dissension can tear a society apart and inflict almost irreparable damage on an economy."

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EUROPE

U.S. Keeping Vigil on Russian Trial of Jehovah's Witnesses

By Celestine Bohlen
New York Times Service

MOSCOW — Seven years ago, Nikolai Cherevatov, then a Moscow University student, told his parents that his search for religion had led him to Jehovah's Witnesses, one of the fastest-growing proselytizing religious groups in Russia.

"They were very upset," recalled Mr. Cherevatov, now 31 and a follower of the religious community that is before a Moscow court, accused of inciting religious discord and threatened with a ban on its activities.

"Papa said they were agents of the American CIA who would give me a gun and tell me to shoot my parents if there was a war," he said. "Mama said no good could come from a close reading of the Bible."

As a child in a Ukrainian village, Mr. Cherevatov spent Sunday mornings in the local Russian Orthodox church with his grandmother.

Later, when he joined the Young Communist League, he had to stop going to church.

But as soon as religious freedom

dawned in the ruins of the Soviet empire early in this decade, he began exploring his faith.

His journey began inside Russian Orthodoxy, but in the end led him out of it — a trajectory that has been repeated by hundreds of thousands of other Russian Christians, and set off alarms in the Russian Orthodox Church about inroads into its flock made by what its priests call "totalitarian sects."

"The script is always the same," Mr. Cherevatov said. "I left my church. I betrayed the beliefs of my forefathers, of my country. But nobody ever asks why I left this choice. It was common sense. Now I have a comparison to make."

A 1997 law on religion restricted non-traditional denominations and, after that, the Orthodox Church kept pressures on its rivals.

In August, Alexei II, patriarch of the Russian Orthodox Church, called for the ban on proselytizing faiths, particularly foreign ones that try to lure people away from the "religions of their ancestors."

The case now before a Moscow civil court is being closely watched by religious and human rights groups as the

first significant attempt to use the law to restrict worship.

Also watching will be Secretary of State Madeleine Albright, who raised the case with her Russian hosts during a recent visit, and the U.S. Senate, which has its eye on a law that links American economic assistance to Russia to religious freedom.

If the judge agrees with the prosecutor, the Jehovah's Witnesses — an aggressively proselytizing community with 130,000 believers in Russia — could lose their legal status and be banned in Moscow, where 10,000 followers reside. Technically, their national status would not be affected, but many fear that such a ruling would only encourage local judges to follow suit, and not only against the Jehovah's Witnesses.

"If they are successful in this case, then it will be terrible," said Lyudmila Alexeyeva, president of the International Helsinki Federation. "Because after that, they will feel free to attack other groups."

Mrs. Alexeyeva, long a campaigner for human rights, said that "in a closed society like Russia, people don't like

anything that is not 'ours.'"

"When I ask people what is so dangerous about the Jehovah's Witnesses," she said, "nobody can answer, but they are sure they are, anyway. But this is not a theological problem. It is a human rights problem."

The atmosphere at a hearing of the case on Wednesday, in a grimy court building in a neighborhood north of the Kremlin, carried faint hints of Soviet times when political and religious dissidents were shuffled from trial to trial.

On Wednesday, more than 100 Jehovah's Witnesses in wool coats and soggy boots gathered silently outside the courtroom doors. Many said they were prepared to wait as long as it took, even weeks, for the judge to reach a resolution.

"We cherish our truth," said Lena Sizhannva, 27, who joined the Jehovah's Witnesses along with her mother. "And they are trying to take it away. But you cannot forbid people's right to their faith because that right comes only from God."

According to the complaint filed by a Moscow district prosecutor, the Jehovah's Witnesses have violated the

1997 law by preaching religious discrimination, breaking up families and withholding medical treatment — all in the name of their "one true religion." After an exhaustive textual analysis of literature disseminated by the Witnesses' door-to-door proselytizers, the prosecutors concluded that "overseers," both in Russia and abroad, "not only control the spiritual environment of the congregation, but also subject the manner of life, thinking, psyche and conduct of every member of the sect."

"The sect has a strong anti-government, anti-social and anti-traditional as well as anti-Christian orientation," the prosecutors said.

More than 21 witnesses are prepared to testify to the damage allegedly wrought by the Jehovah's Witnesses on their family lives and finances.

Written testimony has been provided by a top expert from the Serbsky Center for Social and Forensic Psychiatry — notorious in Soviet times for its "treatment" of dissidents — who found that "the teaching and activity of Jehovah's Witnesses contain factors that may lead to neuroticism and a state of depression."

BRIEFLY

Mir Mission at Risk

MOSCOW — The Mir space station may be discarded as early as August because investors who were supposedly planning to fund it backed out, the Russian space chief said Thursday.

The RKK Energia company, which built and runs the 13-year old station, said in December that it had found a private sponsor to keep Mir in orbit for three years.

"It was just wishful thinking," said Yuri Koptev, director of the Russian Space Agency. (AP)

Flap Over Gibraltar

MADRID — Britain has formally protested restrictions by Spain on road and air traffic to and from Gibraltar and plans to file a complaint with European Union authorities.

Britain protested after the Spanish foreign minister, Abel Matutes, said Wednesday that civilian aircraft bound for Gibraltar would be banned from Spanish airspace and that Gibraltar driving licenses would not be recognized. (AP)

Russia 'Truce' Talks

MOSCOW — Russian leaders may draft an accord between Boris Yeltsin and his enemies in the Communist-dominated Parliament by next week, the Duma speaker, Gennadi Seleznyov, said Thursday.

Mr. Seleznyov was quoted by the Itar-Tass press agency as saying that lawmakers, cabinet officials and Yeltsin representatives would begin talks Monday. Unlike an earlier proposed truce, the new draft would not bar Mr. Yeltsin from disbanding Parliament and would not require lawmakers to drop impeachment proceedings, Mr. Seleznyov said. (AP)

Grave of Algerians?

PARIS — A mass grave that could contain remains of Algerians killed by French police at the time of the Algerian war for independence has been found by two journalists in a Paris suburb, the newspaper Humanite Hebdo reported Thursday.

The remains, found at a former dumpsite in Cretell, may be those of Algerians who took part in a demonstration in Paris on Oct. 17, 1961, the Communist weekly said. A police inquiry was ordered. (AFP)

22 Die and Many Are Missing In Russian Police Station Fire

Agence France-Press

SAMARA, Russia — At least 22 people were killed and scores were injured or listed as missing Thursday after one of the deadliest fires in post-Soviet Russia swept through a police station in the Volga industrial city of Samara.

The blaze broke out Wednesday at about 6 P.M. and quickly engulfed the five-story Interior Ministry building. Several people jumped to their death. Nearly three dozen people were hospitalized.

The fire raged for almost 12 hours before finally being extinguished.

People in Samara put the tentative death toll at 22. But with 32 people still unaccounted for, most of whom were working in upper-story offices, that figure could rise.

Emergency ministry staff said 34 people were hospitalized following the blaze, five in a serious condition.

President Boris Yeltsin called for an immediate inquiry, and he ordered the interior minister, Sergei Stepashin, to the scene. The minister sent an advance team and said he would follow Friday.

Mr. Stepashin said that criminal arson "could not be ruled out" as the cause of the fire. Local residents said they heard

two explosions shortly before the blaze erupted.

Television reports said nearly all the city's criminal records were destroyed by the blaze.

Investigators were probing a possibility of an electrical fault in the 60-year-old building, which was susceptible to fire due to its interior wooden partitions.

"We are mobilizing forces and everything is being done to pinpoint the causes of the tragedy," Prime Minister Yevgeni Primakov said after a telephone conversation with President Yeltsin.

Television pictures broadcast by the private NTV channel showed flames consuming the entire building and firefighters attempting to winch ladders up to stricken people engulfed in thick smoke.

"Something caught fire in a second-floor office," said one rescued woman, her face smeared in soot and ash.

Officials identified one of the dead as the police station's chief of investigations, Colonel Alexander Sukhodoyev.

The local head of public security, Major Pavel Korolyov, died after being taken to a hospital. A journalist for a local newspaper was also reported dead.



Georgina Dufoux, a former minister, arriving at the trial on Thursday.

Fabius Denial in Blood Scandal

Agence France-Press

PARIS — Laurent Fabius, a former French prime minister, denied putting financial considerations ahead of questions of public health as his trial for manslaughter in a 1985 AIDS-tainted blood transfusion scandal continued Thursday.

Mr. Fabius, Socialist prime minister from 1984 to 1986, and his health and social affairs ministers, Edmond Herve and Georgina Dufoux, are appearing before a special court set up to try gov-

Protest in Rome On 'Rape Alibi'

The Associated Press

ROME — Female lawmakers were jeers to Parliament on Thursday to protest an appeals court ruling that it was impossible to rape a woman wearing jeans.

"Jeans: an alibi for rape," read the sign held up by five deputies.

The court on Wednesday overturned a rape conviction against Carmine Cristiano, a driving instructor sentenced in 1996 to two years and eight months in prison for the rape of his 18-year-old student.

Mr. Cristiano argued that she had consented to sex.

The court accepted his argument, saying it was impossible to take off someone's jeans "without the collaboration of the person wearing them" and that the woman must have cooperated.

"This ruling is shameful," said Alessandra Mussolini, a deputy of the rightist National Alliance and granddaughter of the dictator. "It offends the dignity of women. Women are already scared of reporting rapes — this just makes it worse."

Miss Mussolini said the protest would continue until the decision was overturned by the Constitutional Court. Center-left deputies called on Parliament to take up the ruling.

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AN OPEN LETTER
TO PRESIDENT CLINTON

President William J. Clinton
The White House
Washington, D.C. 20500

February 10, 1999

Dear Mr. President:

In a brazen and unlawful move, the government of Slobodan Milosevic, in order to avoid its contractual obligations aggregating more than \$175 million, has employed massive police power to forcibly seize the property and assets of an American company, ICN Pharmaceuticals, Inc., located in a suburb of Belgrade. ICN's management team has been forcibly expelled from the factory and offices and is not being permitted to reenter. A Serbian government force of 200 heavily armed police and paramilitary personnel has seized control of the premises and locked out the rightful American owners.

This action of the Serbian government is wholly illegal. There can be no doubt that this was an economic and politically motivated power play intended to foment anti-American sentiment on the eve of the Kosovo peace talks in France.

This arrogant action cannot stand unchallenged. ICN has sued the Milosevic regime in the U.S. District Court in the District of Columbia. It will pursue all legal remedies available elsewhere as well. This cannot be left to the Serbian courts, which are controlled by the Serbian government.

I call upon the United States government and you, Mr. President, to condemn this arbitrary seizure and nationalization of American property and the humiliation and violation of the human rights of ICN employees in Serbia. I call upon you to demand that the premises of the ICN factory and the ICN offices in Serbia be immediately returned to their rightful American owners and management team. Moreover, I ask that you do everything within your power to insure the safety of our employees, who are at risk in Yugoslavia.

Sincerely,

Milan Panic
Chairman and Chief Executive Officer

William Clinton
President of the United States
The White House

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Olympic Scandal Grows

Reform the IOC

The ethics panel drafted to investigate the role of vote-buying in Salt Lake City's successful bid for the 2002 Winter Olympic Games has expanded the scandal's known topography. Although the panel had neither subpoena power nor its own auditors, it still managed to implicate a wider array of Olympic officials in the bribery transactions and to penetrate some of the ruses used to hide the payments. Its efforts need to be followed up by a more forceful investigation.

The panel identified 10 more International Olympic Committee members suspected of trading their votes for money and other lucrative benefits provided by Salt Lake City boosters. That raises the total to 24 members who have now been linked to the scandal.

The panel also found evidence that the U.S. Olympic Committee helped Salt Lake City organizers deliver on a promise to train Sudanese athletes in return for Sudan's vote, thus implicating Olympic officials at the national level.

But the panel, appointed by the trustees of the Salt Lake City organizing committee, was circumspect in pointing fingers in Utah. Its report suggests that the unethical conduct was the handiwork primarily of two or three had apples on the Salt Lake City committee and concludes that the higher-ups, the trustees, were out of the loop about direct payments. It characterized the misdeeds as unethical but not criminal. Only inquiries by the U.S. Justice Department and other authorities with subpoena power will be credible enough to render such judgments.

Nevertheless, the investigative leads contained in the panel's report should strengthen the hand of reformers within

in the IOC and major corporations that spend hundreds of millions on sponsorships and ads and thus underwrite much of the \$1.45 billion cost of staging the Winter Games. Both sets of stakeholders demand that the IOC hire an independent, internationally respected law firm and auditors to take over the investigation of Salt Lake City and all other abuses in the bidding process in recent years.

These outsiders should propose structural changes to transform the IOC from a secretive club accountable to no one into a body that is representative of the world's nations, democratic in its selection of venues and transparent in its business dealings.

Like publicly traded corporations, the International Olympic Committee, with its ever-growing economic power, needs annual audits by outside examiners and strict conflict-of-interest rules. It also needs to clean out the management team that tolerated the bribe-taking culture; only then can it hope to rebuild its credibility. A ritual vote of confidence in Juan Antonio Samaranch, the IOC president, by his minions next month will only further damage the Olympic movement.

The John Hancock insurance company has concluded that the scandal has devalued the Olympic rings and the value of the Games for advertisers. While it remains an Olympic sponsor, it is removing the rings from its next annual report, stationery and other material where feasible. Its cancellation of negotiations to place about \$20 million in commercials on NBC during the Winter Games contains a not so subtle message: Corporate America can, and should, bring its collective clout to bear in reforming the IOC now.

—THE NEW YORK TIMES

Bribery Is the Rule

The Salt Lake City Olympic Organizing Committee, with the release of a 300-page report on Tuesday, can now fairly claim to have made a credible, if incomplete, effort to investigate itself. The same cannot be said of the International Olympic Committee, which seems as always dedicated to damage control and self-preservation. The U.S. Olympic Committee, too, seems stuck in a state of denial.

You may recall that the IOC, the unaccountable governing body of the Olympic Games, conducted an investigation last month into allegations that cities seeking the ostensibly lucrative privilege of hosting Summer or Winter Games had bought the votes of committee members. Not at all, the IOC concluded. "Nothing we saw amounted to a quid pro quo, the purchase and sale of a vote," said Richard Pound, the IOC vice president who conducted the inquiry. It nonetheless accepted the resignation of three members and urged the resignation of six more who benefited, Mr. Pound suggested, from Salt Lake City's excessive "willingness to please."

Now the Salt Lake City inquiry has identified two dozen committee members who improperly accepted gifts for themselves, their relatives or their associates — a solid fifth of the IOC. Even this probably is not the whole story, since the Utah ethics panel did not have subpoena powers, and several key actors did not cooperate with the investigation. Nonetheless, the panel was able to document more than \$1.2

million in questionable payments for trips to Disney World and the Super Bowl, family vacations, cosmetic surgery, draperies and furniture, dogs, air tickets and more. There were jobs and scholarships for IOC members' children and spouses. And there was plenty of good, old-fashioned cash.

For six months prior to the IOC vote awarding the 2002 Winter Games to Salt Lake City, for example, the organizing committee sent \$1,000 per month to Sudan's IOC representative, the panel found. Afterward, the committee urged the U.S. Olympic Committee to help pay for Sudanese athletes' training. "Seems to me a deal is a deal and the Sudan delivered," the USOC's executive director for administration, Tom Wilkinson, cheerfully agreed in an e-mail. "We may need the Sudan again in the future. Don't burn bridges." A quid pro quo? Perish the thought. A top U.S. official said on Wednesday, "It seems like it was handled appropriately."

This seems to be the Olympic way. Find out as little as possible, disclose less and admit nothing. Did Japanese officials do the same, or worse, to win the 1998 Winter Games? Let's not ask. Did Australians pay \$35,000 apiece to two delegates on the eve of the vote awarding Sydney the 2000 summer games — a vote that Sydney won by two? "Everything was in order, according to IOC rules," says Jacques Rogge, a senior IOC member.

The more we learn, the more it seems Mr. Rogge was correct. Bribery is the Olympic rule.

—THE WASHINGTON POST

Other Comment

Civilian Intervention Unit

As things stand, America and its allies have only two choices when ethnic massacres occur overseas. One is to issue warnings to the warring parties, which are often ignored. The second is to respond with some kind of military force. We suggest a third option.

We need to create a Civilian Intervention Unit to intervene between military action is necessary. It would have a permanent core of workers and the capability to draw on larger numbers as needed. Operations would vary from election monitoring to disaster relief to peacekeeping.

A permanent unit would be an alternative to the team of "verifiers" that the Organization for Security and Cooperation in Europe established and sent to Kosovo. The verifiers are not part of any permanent unit, and most of

them have no prior experience in peacekeeping.

A permanent unit of trained monitors is needed to observe elections, oversee the control and destruction of armaments, conduct forensic investigations of war crimes, mediate and arbitrate. These requirements are too frequent and too specialized for the world to continue to rely on temporary missions — which, once over, are essentially cast aside. Tough security backup would be essential, but that could consist of a police force accustomed to interacting with civilians.

Creating a permanent unit would not be easy. There is no precedent, and the bureaucracies in Washington and Europe seem to lack imagination as they wrestle with the crises that dominate the modern age.

—Daniel Plesch and Julianne Smith, in *The Washington Post*.

'Strong' Euro? Growth and Jobs Would Be Better

By Robert A. Levine

PARIS — The birth of the euro has been the occasion for many columns of journalistic analysis heralding the nascent currency as a "challenge" to the dollar. Mostly this is nonsense. To the extent that it has real content, the challenge lies not in the "strong" euro defined by its champions as high in value relative to the dollar, but in a "weak" one.

The most conventional challenge is one of prestige. Were financial accounts and statistics translated into euros instead of dollars, euro holders could feel proud. This might be made to seem meaningful by a de Gaulle, but there is none on the scene.

More serious is that if the euro begins to substitute for the dollar as a transactions and reserve currency, dollar holdings and dollar-denominated obligations will decrease, the United States will have to raise interest rates, and the American economy will suffer while Europe gains. There is some truth in this. The question is of its importance.

Since the 1980s, saving by American individuals and firms has been low. Some economists have warned that because saving equals investment in national income accounts, investment would fall and American economic progress would fall with it.

Such contentions are shot through with flaws, but, in the event, investment in the U.S. economy has not

fallen, since it has been supported by the inflow of foreign funds. This has been financed by the inflow of foreign exports; the balance of trade has turned "against" the United States. In mercantilist terms, Europe has thus succeeded and America has failed. But the real result is that the United States has prospered compared with Europe.

Visible signs of the investment inflow have been purchases of Chrysler and other firms by Europeans, and earlier the wild Japanese speculations in American real estate. Increased European ownership of the American economy may be a long-run political-economic worry, but it causes less high-pitched concern than did the feared Japanese takeover of the '80s.

More imminent, in any case, is the possibility that the move to the euro will engender a move away from foreign investment in the United States. That could happen if the investment is really based on reserve holdings and other financial magnitudes. Fortunately, it is not.

Daimler-Benz did not build plants in the United States and then purchase Chrysler. Bertelsmann did not buy up American publishers, and British Vodafone did not take over American Airtouch just because the Europeans

had dollars they didn't know what to do with. The major motivation has been that the vigorous American economy has been where the action is. A shift toward the euro may affect that marginally, but no more.

The relative strength of the American economy has a number of causes, including the greater U.S. structural flexibility — fewer regulations, lower taxes, less government dirigisme — to which it is ordinarily attributed. More important, however, is the pragmatic exploratory culture that has enabled Americans to take much faster advantage of the information revolution on which the world's economic growth is now based. The reasons for this deserve much more investigation than they have received.

Some European economists have been critical of the decade-long single focus of European central banks and finance ministries on squeezing down inflation and government deficits to meet the Maastricht criteria for monetary union, thus pushing unemployment above 10 percent. These economists contend that Federal Reserve policy, which has controlled inflation without stifling growth, deserves much credit for U.S. success.

The result of the Maastricht squeeze has been a euro strong at birth, in the mercantilist sense. And now those who favor the "challenge" to the dollar by

this euro want to continue the tight monetary and fiscal policies that brought it about.

In doing this, however, they will not only keep growth down and unemployment high. They will make Europe vulnerable to external downturns, whether from Asia and Latin America or from an inevitable American slowdown. Then unemployment can go up even higher, and the political foundations of monetary union and its member governments will shiver.

Needed instead are low interest rates and fiscal stimulus to restore European growth, cut unemployment and provide European voters with the security that will allow needed structural change.

Such policies would lead to a "weak" euro in the conventional sense. But Europe would invest in Europe, the United States would be forced to support its own investment, and both sides of the Atlantic would compete on paths of faster growth rather than of mercantilist restriction of domestic economies in order to export more across the Atlantic.

That would be the real challenge. Then we could all deal with the serious problems in East Asia and Eurasia.

The writer, an economist and former official in the U.S. executive and legislative branches, contributed this to the *International Herald Tribune*.

One Side in Japan Keeps Blocking Stimulation of Demand

By Gregory Clark

TOKYO — Japan's economic conservatives are at it again. Fresh from their success in pushing the economy into its present misery, they want to add to the plight by having the Bank of Japan refuse to buy up the surplus government bonds needed to fund economic recovery.

The problem with the Japanese economy is simple. Ever since the collapse of the late 1980s economic boom, consumers' post-1970s bias against spending has heightened, and this has hit investment. Meanwhile, yen appreciation hit exports. Lack of demand is a cancer eating out the very heart of a once robust economy.

But even Japanese consumers can delay spending for only so long.

For a time in the mid-'90s as spending picked up, there was a good chance of the recovery in land and share prices needed to neutralize the nation's had bank debt problem. Indeed, in the three years to 1997 Japan was leading the other Group of Seven nations in GNP growth.

But then the economic conservatives took over. Convinced that Reaganite-Thatcherite reforms had powered the recoveries in the U.S. and British economies, they set out to cut government spending, re-

vamp the tax system and push weak financial institutions into bankruptcy.

Consumers and investors took fright. The bad debt problem raised its ugly head. The economy went into a tailspin.

The politicians soon realized the mistake and switched to fiscal expansion. But with more bad advice from conservatives and the United States, they concentrated on tax cuts, which in recession-hit Japan were bound to end up adding to surplus savings rather than expanded government spending, which if done wisely has immediate stimulatory effects.

But either way, the nation was bound to end up with large fiscal deficits that would have to be financed with large bond issues, which, if placed on the bond markets, would tend to raise interest rates and choke off any incipient recovery.

The obvious answer is in have the cash-laden Bank of Japan buy up some of the bonds. But the economic conservatives complain that this would be inflationary.

In an economy facing severe spiral deflation, the chances of inflation becoming a problem seem about as likely as a hypothermia victim given a shot of brandy becoming an alcoholic. But the conserva-

tives and their friends in the Bank of Japan stick faithfully to their out-of-date dogmas, and say "no."

The United States, in the form of Treasury Secretary Robert Rubin, and some politicians in Japan's ruling Liberal Democratic Party realize the need for that shot of brandy. If they fail to prevail, Japan would seem headed for yet another downward, dragging much of the Asian and world economy with it.

The writer, a former Australian diplomat and longtime resident of Japan, contributed this comment to the *International Herald Tribune*.

A Good Rambouillet Deal Would Buy Time for Change

By Flora Lewis

PARIS — The new element in the Kosovo talks now under way at Rambouillet near Paris was underlined by President Jacques Chirac in his formal welcoming speech. It is that Europe can no longer tolerate war on its continent.

This is not so obvious as it may seem. True, there is no longer talk about containing the violence, redressing imbalance or letting them fight it out, as was regularly heard during the Bosnian war until an accord was forced at Dayton in 1995.

And there is a new, if unannounced, deadline to end the fighting in Kosovo — the Washington summit to celebrate the 50th anniversary of NATO in April. Members agree that they can hardly launch the alliance on this new

mission of peacekeeping and collective security against the background of this war.

But there is no real basis for agreement between the Serbs, who consider Kosovo resistance mere terrorism, and the Kosovars, who see no solution but independence.

The only possibility for "success" will be a compromise imposed by the outside powers with the understanding that it is temporary.

I put "success" in quotes because all involved are aware that any accord can be no more than a gamble on buying time — maybe for a change in the Belgrade regime, maybe a consolidation of Kosovar policies, maybe some kind of larger regional understanding.

This is all very vague because nothing has really been thought through. But reliance on ambiguity to hide the friction, as in Bosnia, would only increase the bitterness of disillusion and expose the hypocrisy of threat.

The idea of bombing Serbia into accepting the Contact Group's plan for Kosovo is weird. There are no effective targets, as there were in Bosnia when NATO force took out local Serbian tanks and artillery emplacements. Bombing Serbia proper, just to show that it can be done, would make the needed political resolution more, not less, difficult to find.

Besides, the Russian prime minister, Yevgeni Primakov, has said that his country is

"categorically opposed to the use of military force" against Serbia. "It has no prospects, it can bring no good results," he said at the World Economic Forum in Davos.

Relations between the United States and Russia are at a particularly bad point at the moment — not, as some Americans argue, because of the coming expansion of NATO, which Moscow has accepted, but because of Moscow's sense that Washington has lost interest in good relations.

The growing right-wing political demand to revise or junk the Anti-Ballistic Missile Treaty in order to build American missile defenses is the latest and most serious irritant.

Insult is added to injury when American politicians argue that the treaty was made "with a country that doesn't even exist any longer." Russia has solemnly committed itself to Soviet obligations, and in any case practically all Washington-Moscow treaties were signed with the Soviet Union, and the United States wants and needs to maintain them.

Yet Mr. Primakov has indicated that Russian troops might join some NATO forces in Kosovo if they are sent to support unarmed international monitors. This may be the key to Serbia's Slobodan Milosevic reversing his ban on foreign troops in Serbia, of which Kosovo is a part.

There is something so surreal about the whole allied timetable and plan for breaking the impasse that it gives weight to the widespread Belgrade rumor that Mr. Milosevic really wants out of the ethnic-Albanian-pop-

ulated province, but needs the appearance of international compulsion to cover him against attacks from his own nationalists.

He did abandon Serb-populated Krajina and Eastern Slavonia, in Croatia, without a peep, after dire declarations. His central interest is maintaining his own power.

If he is secretly seeking a formula to back out and try to bring Serbia some relief from the economic pain of war and sanctions, so much the better. But it should be understood as a stopgap, not as a real solution. It will not change the fact that Mr. Milosevic was the cause of the problem, not its helpful disintegrator, and that permanent improvement in the area will still depend upon new politics.

Veron Matic, who heads the independent Radio B-92 in Belgrade, points out that "there is little understanding of the importance of independent media in getting peace."

The last independent radio in Pristina was banned last summer, and no one said a word. The province has the world's highest concentration of satellite dishes. Mr. Matic says, because there are no local media that people trust. But foreign broadcasts cannot have the same impact as reliable local news.

Those attempting to use the new technology to spread independent information deserve full support. They may not be able to stop wars, but if the fighting can be stopped they are as important as NATO troops in preventing a renewal and forcing acceptance of the new European demand for peace.

—Flora Lewis

Jordanians Will Need Democracy

By Rashid I. Khalidi

CHICAGO — The late King Hussein grew up in the shadow of his grandfather Abdullah's ambitions in Palestine. The new monarch of Jordan, another Abdullah, 37, was a child when Israel occupied the West Bank and for his entire adult life has regarded Jordan as bounded by the Jordan River.

Hussein ruled the West Bank for 15 years before he lost it to the Israelis in the 1967 war. But for his son the fate of Jordan may not seem so bound up with the fate of Palestine. As a representative of a new generation, he may be able to take a fresh look at the relationship between Palestinians and Jordanians.

The Palestinian majority in Jordan is integrated into society and dominates the economy, while East Bank Jordanians control the army, the security services and the upper reaches of the government. Palestinians in Jordan are included in some respects and excluded in others, tied to the country and yet bound to their homeland (and their relatives) across the river.

As long as the status of Palestine is in limbo, the situation will remain unstable, with the majority of Jordan's citizens living in constant tension with the Hashemite regime.

In facing this problem, King Abdullah has to deal with the legacy of two crucial decisions made by his father. The first was in 1956-1957, when Jordan was ruled for the first and last time by a government freely elected by a majority of the population. Under pressure from his ad-

visers and from the great powers that supported him, the young King Hussein responded to a coup attempt by crushing the fledgling democracy.

Only recently did he permit a pale version of parliamentary rule to emerge in Jordan, with severely limited powers. The country's authoritarian system has excluded resident Palestinians from power — an injustice that they are unlikely to tolerate once their status either as Jordanians or as Palestinians has been finally determined.

In 1988, after the Palestinian intifada, Hussein renounced Jordan's claim to the West Bank, enabling the Palestinians to make their own unimpeded claim to self-determination. This forced sensible Israelis to admit that Jordan could not serve as a proxy for the Palestinians, with whom they now had to deal directly.

Hussein's move succeeded in pushing the two sides toward peace talks, but it also confirmed that Jordan's internal politics, like its external relations, could never be stabilized until the Palestine question was resolved.

The absence of peace has been a pretext for the absence of democracy in many Middle Eastern countries, Jordan included. Whenever the Palestinians and Israelis finally address the main issues that separate them — borders, sovereignty, Jerusalem, refugees — King Abdullah will have to

confront the issue of transition to full democracy. The survival of his kingdom may hang on the outcome.

If he pushes for democratic reforms, he may not be able to rely, as his father did, on powerful outside backers. The United States has rarely acted to foster democracy in the Arab world, preferring authoritarian regimes that do Washington's bidding.

But Jordanians have strong aspirations for democracy, which the new king would be wise to heed. This may require him to ignore the advice of powerful friends.

Similarly, the establishment of a mutually acceptable relationship with the emerging Palestine will require the new king to consider the interests of his own people and not those of others. King Abdullah rules a small, poor country with few resources and potent neighbors. He certainly cannot ignore these iron constraints. But if he can transcend them and achieve two objectives, democracy and better ties with the Palestinians inside and outside the kingdom, he will build on the most valuable parts of Hussein's legacy, and achieve something that his father never could.

The writer, who directs the Center for International Studies at the University of Chicago, is author of "Palestinian Identity" and advised the Palestinian delegation to the Madrid peace talks from 1991 to 1993. He contributed this comment to *The New York Times*.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Imperial Barber

BERLIN — Highly funny is the denunciation of a paper for having dared to discuss Herr Haby and the Imperial mustache. Haby is the Imperial barber. I paid a visit to Haby and underwent what the Kaiser undergoes. The mustache is placed at an angle beneath a terrible kind of gag known as a "barbinder." Before being placed in the "barbinder," the mustache is combed and saturated with the "It has come!" water. Then the mustache is pushed upwards beneath the gag, which is held back by being attached to the ears. When the gag is removed two heated irons are in readiness. When high completion, the mustache had assumed an attitude contrary to what nature had intended.

1924: Tut Revealed

LUXOR — The Valley of the Tombs, which last year gave up

the treasure of one of the greatest Pharaohs that lie buried there, tomorrow [Feb. 12] will give up the royal dead. When the lid is raised from the sarcophagus that holds the body of King Tutankhamen, the hand of time will have been turned back, momentarily, for more than two thousand years and what still remains of the mortal part of that great monarch will be exposed to view. Many Archaeologists are here and are tense with expectancy.

1949: Stolen Diner

NEW YORK — Frederick Savarese rushed into a police station yesterday and shouted "Somebody stole my restaurant. It's gone. It's gone. My restaurant. Somebody stole it." It was true. The restaurant was a trailer lunch counter known as the "Vet Diner" and during the night some one apparently hitched it to a car and drove away.

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The Reporters, It Was Felt, Were Missing the Point

Leisure

Wired Up in Amsterdam City Plugs Its Visitors Into a Technological Dream

By Matt Steinglass

AMSTERDAM — Last spring, I was in Amsterdam with a friend, a "new media" artist. We needed a place to check out e-mail, and our Dutch hostess offered to take us to the nearest cybercafé.

She led us across a wide cobblestone square toward the Waag, a late-medieval brick fortress studded with circular turrets. Tables and wicker chairs spilled out of the fortress's broad gate: a white-aproned waiter circulated with flat glasses of Duvel beer. Inside, under a vaulted ceiling, people chatted and sipped *koffie verkeerd* (café au lait, Dutch style), waiting for a space at a long table with a peaked ridge down the center. The computers were almost invisible, their screens built unobtrusively into the table's slanting wooden face.

My friend and I half smiled in embarrassment: we were thinking of the nerdy, unpleasant cybercafés we knew in New York. Full of taciturn patrons huddled over screens. This place seemed so sociable! Why, my friend wondered, couldn't new media in America be more like this — "so out in the open, so..."

So public. In the United States, new media tend to be a private affair. Whether you're e-mailing, Web surfing or playing computer games, in the office or at home, you're usually doing it alone. In Amsterdam, using computers is more social. There are public Internet kiosks on the city streets. On the waterfront, teenagers congregate in the plaza of the New Metropolis, a year-old interactive technology museum. Even Amsterdam's Web site, www.amsterdam.nl, feels like an amenity, with a wealth of information that ranges from arts events to real estate to business regulations.

Such details are part of an effort by the

government to make Amsterdam a center of new-media technology. Jan van Diepen, spokesman for the Ministry of Economic Affairs, said: "The Dutch government is investing tens of millions of dollars in information-technology research institutes and in improving the information infrastructure." A recent report by the French branch of the Aspen Institute noted that these efforts have led American information-technology entrepreneurs to view Amsterdam as "the ideal European home base."

It's not surprising that the Dutch devote their technological efforts to the public sphere: after all, the Netherlands owes its very existence to huge public-works projects. As one new-media artist here put it: "It's the dikes!" The country's national character is defined by public technology — from the obvious (canals, windmills, dikes) to the more subtle (bike lanes and hothouse tomatoes). At their best, these technologies make the Netherlands feel like a good Web site: attractive, well-organized and incredibly easy to get around.

CLEVER GADGETS On my return trip in August, I noticed well-designed infrastructure and clever gadgets the moment I got off the plane. At Schiphol Airport, the train to Amsterdam, Rotterdam or wherever you happen to be going, passes right under your feet. You descend to it via a stairless, conveyor-belt-like escalator — no need to take your luggage off the luggage cart. Getting off at Amsterdam Central Station puts you smack in the center of the city.

I had reserved a room on line at The Westin, an inexpensive hotel, which features eight rooms custom-designed by different artists. On the hotel's Internet site (www.westin.nl), you can inspect these "artist rooms" and reserve the one of your choice. I decided to try the Starel

Room, festooned with representations of the artists' DNA. The hotel also bills itself as a gallery and arts venue: poets and bands perform in the Winston Kingdom nightclub, their shows broadcast over the Internet via Webcam.

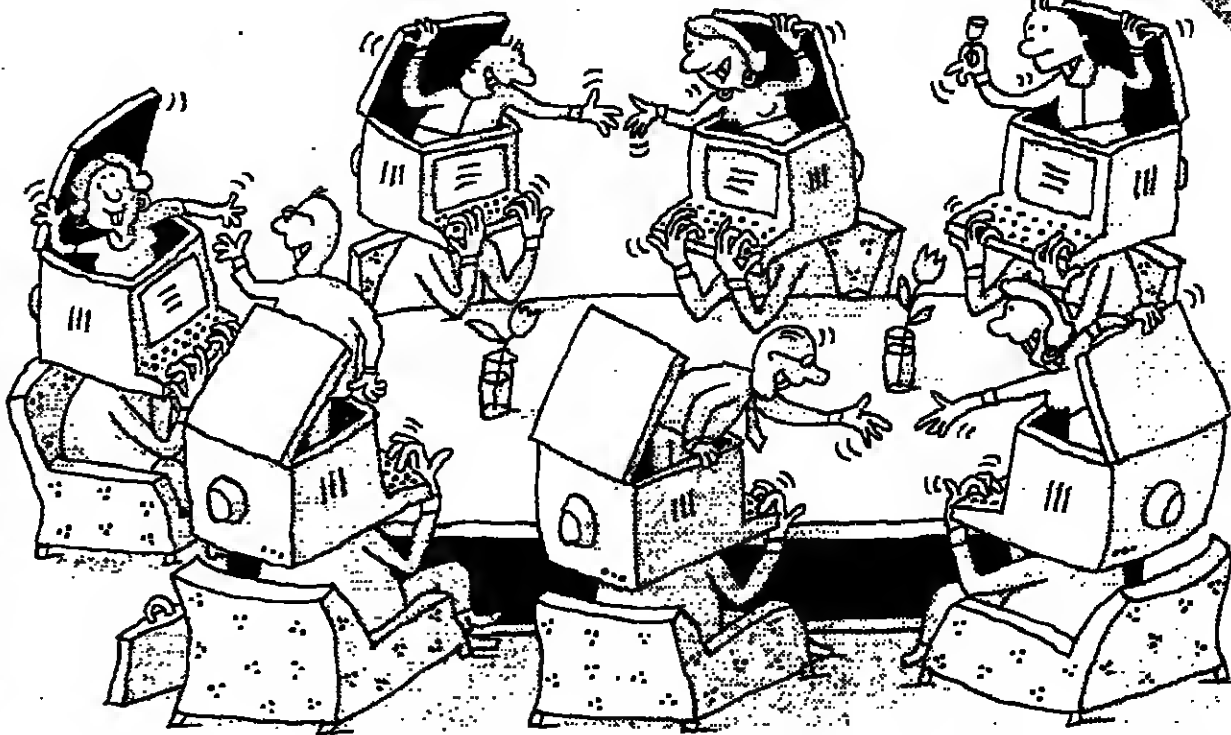
On arrival, I encountered a glitch: The supposedly new-media-savvy Winston had accidentally rented out my room — because the computer was down. Would I mind staying in the Schiffmacher Room, designed by a tattoo artist?

That afternoon I went out to check my e-mail. (A number of hotels, such as the Owl, have e-mail facilities, but not The Winston.) Had I wanted to take public transit, I could have made use of the national transit number. From anywhere in the Netherlands, for about 50 cents a minute, you can dial 06-92-92, and give them the address of where you are and where you want to go. Within a minute or two, a real human being — not a machine — will tell you exactly which trains, trams and buses you should take to get there — down to the minute the bus arrives at your local stop.

But I was biking. I pedaled off toward a cybercafé in an old canal-lined neighborhood called the Jordaan.

The Mad Processor is in a quiet canal house. It features a circular table covered with computer monitors connected by a high-speed network. People come by the dozens to play networked games. In the United States, these games are generally played over the Internet, by opponents who never see each other. Here people prefer to meet their opponent in person, and shout at them across the table.

Later, on my way to dinner, I stopped at a bank of public phones by the Westerkerk, a 16th-century church on the Prinsengracht, a canal west of the city center. One of the bright-green columns was labeled Internet, and had a keyboard and screen instead of a phone. There are



Style: Ann Hitt

35 of these Web kiosks scattered around Amsterdam, including one in the train station. KPN Telecom, the recently privatized Dutch phone company, has been installing them since January 1997. They accept phone cards or credit cards; the cost is about 10 cents a minute. The kiosks have their limitations — there are no seats, the keyboards are angled uncomfortably, and they're hard to spot because from the side, they look like phones. But they're great for Web surfing, and for sending quick, mindless e-mails. ("Guess where I'm e-mailing from? A canal!")

The Amsterdam new-media world is full of private little spaces, known only to the cognoscenti. Nonetheless, with a phone call or two, one can uncover some of the attractions that don't appear on the standard tourist map. Like the mysterious institution the Studio for Electro Instrumental Music, or Steim, which its

director, Michel Waisvisz, explained, "works in the background to help artists develop personal instruments."

IT PROVIDES its sponsored musical researchers with no-guests-allowed ateliers where they can isolate themselves," Waisvisz said. The artists Steim has worked with include the performance artist Laurie Anderson and Tod Machover, a professor from the Massachusetts Institute of Technology known for his digitally enhanced "hypercello" and other new musical instruments.

Then there's the Waag, in the Nieuwmarkt square. The Waag is the headquarters of the Society for Old and New Media, Amsterdam's premiere electronic-arts foundation. The society is upstairs, in a warren of brick rooms surrounding a fantastic skylit octagonal chamber — the Theatrum Anatomicum.

In the Theatrum, the bodies of prisoners were dissected for the edification of future surgeons — and the entertainment of the public. It was here that Rembrandt painted his 1632 painting, "Anatomy Lesson of Dr. Tulp."

It is now one of the sites of a major digital-art project called "Brandon," jointly sponsored by the Waag and the Guggenheim Museum in SoHo (www.brandonguggenheim.org).

What I like about Amsterdam's public technology is the sense of control it gives you. The Web kiosks on the street, the well-designed airport, the mass-transit number. They all share a common goal — they make the world intelligible, and give you power over it.

Matt Steinglass, a writer and Web producer who is moving to Amsterdam this month, wrote this for The New York Times.

ESCAPING THE WINTER



Spring is the season when Tucson reaches its extroverted peak.

Tucson Comes to Life With the Spring

By Judith Anderson

TUCSON, Arizona — Spring begins this month in Tucson. The season when the city is at its extroverted peak, inviting the world to sample its diversity. And the world comes, to an eclectic array of trade shows, exhibitions, cultural activities, sporting events and religious ceremonies.

Of course, a lot of visitors come simply to escape winter. This city lives outside in the spring. Every restaurant that can create a patio dining area, and entertainment of all sorts takes place in the open air. Dress is casual, and folks start shucking their outer layers at the slightest provocation.

When so many events and participants hit town at once, it can be difficult to book a room or even make a dinner reservation. Some prices skyrocket. Over all, rates drop in May, but prices that have been inflated just for the

gen shows this week, for instance, should be back to normal around the middle of the month. For last-minute accommodations, try the Tucson Convention and Visitors Bureau at (800) 638-8350.

From Ash Wednesday (Feb. 17 this year) through Easter week (March 28 to April 4), rituals of the Pascua Yagui Indians meld native traditions with Christian beliefs at their three reservations around Tucson. The culmination at Old Pascua Village is a dramatic Easter Saturday ceremony called La Gloria, a mysterious concatenation of dances involving a bonfire, carved masks and brilliant paper flowers.

For lovers of bluegrass, the Old-Time Fiddle Contest on Feb. 21 promises a day of foot-tapping pleasure under sunny skies. Participants from coast to coast will compete for cash prizes at the DeMeester Outdoor Performance Center in Reid Park. And the 74th annual Fiesta

de los Vaqueros, Feb. 24 to 28, is a big-money rodeo that draws champion riders and rough stock from all over the country. The rodeo parade, Feb. 25, on the other hand, is a real hometown affair, with hundreds of glossy horses, cowboys and Indians, spiced musicians and flashy Mexican folk dancers.

INTO THE DESERT The Arizona-Sonora Desert Museum presents desert wildlife in a natural setting, from exotic jaguarundis to antelope prairie dogs and the ocreous arrivals, three coyote pups. Fourteen miles (22 kilometers) west of town via twisty, scenic Gates Pass Road, the popular 15-acre (6-hectare) zoo and botanical garden is open daily from 8:30 A.M. to 5 P.M. until March 1, then 7:30 A.M. to 6 P.M. There is a pleasant café open for lunch until mid-April, with \$10 to \$15 entrees, and a grill open daily. Tough Old Tucson Studios

is back in action, complete with bar brawls and shoot-outs in the dusty streets and rides for younger children. A fire in 1995 gutted the familiar movie set, originally built for the 1940 film "Arizona."

One of the last Spanish missions still serving its Native American parishioners is the Mission San Xavier del Bac, on the Tohono O'odham and San Xavier reservations 10 miles south of Tucson. The 200-year-old White Dove of the Desert mixes Moorish, Byzantine and Mexican baroque elements on its exterior, naive and elaborate ornamentation inside.

If you're hungry, the Tohono Chul Park Tea Room, (520) 797-1222, occupies a 1940s adobe hacienda with tiled pools and fountains in the courtyard and patios, all surrounded by 48 acres of desert preserve. It is a charming spot for a simple breakfast, lunch or afternoon tea. And Lerna's Fine Mexican

Foods, (520) 624-0322, is famous here for its green corn tamales. At least one of the plump, sweet rolls of cornmeal, steamed in its own husk, appears on many of the combination plates. Lunch for two with Mexican beer costs about \$16.

HIGH style describes both the decor and the cuisine at the exuberant Cafe Poca Cosa. There is a different menu every day, and the chef chooses your food if you order the Plato Poca Cosa. With margaritas or wine and dessert, dinner for two costs about \$35.

And during March, nearly 50 spring-training baseball games will be played in Tucson. The city is host to three major league teams: the Colorado Rockies, the Chicago White Sox and the Arizona Diamondbacks.

Judith Anderson, who lives in Tucson, wrote this for The New York Times.

Mercedes On-Road Off-Roader

By Gavin Green

THE car market is crazy. As proof, recent research suggests that only 5 percent of people who buy off-road vehicles use them off-road. No one will be surprised by this statistic. Everyone knows that Sport Utility Vehicles aren't meant for off-road! People buy them for what they represent: the great outdoors, a certain squirearchical sophistication, truck-like strength rather than for what they can achieve (climbing mountains, traversing bogs, exploring jungle).

Well, all utility vehicle manufacturers keep up the pretense. They fit ever-stronger chassis, ever-more high-tech transmissions, ever more capable differentials, ever bigger wheels and more technological accoutrements to and mankind's quest to boldly go where no car has gone before.

Finally, one has cried "Enough!" and admitted that its off-roader is actually meant for city or suburban types. The new Mercedes M-class is an off-roader meant for the road. It makes no claims to be better across the Sahara than a Land Rover, or more adept at climbing the Rockies than a Jeep. Its claim to fame is that it is better at driving to the shopping mall than anything else in the class — a utility vehicle for softies.

It is also unusual because it is a Mercedes-Benz, which has no pedigree at making utility vehicles. It once had a frightfully militaristic 4x4 called the G-wagen, which was about as fashionable as a combat helmet and was able to traverse tall mountains in a single charge. Nobody bought it, because it was ugly. The M-class is the very opposite. It looks classy and carlike, like every other Mercedes, but is still tangibly a vehicle that can rough it, if it really has to.

The M-class is built in Tuscaloosa, Alabama, and sales in the United States have been huge, way beyond expect-



tations. And in Europe, the M-class is now the Mercedes most in demand. To help satisfy it, production is about to commence in Graz, Austria.

The test car had a V6 engine, although a V8 is also available. It is a smooth-revving, sophisticated unit and it's mated to a sweet-shifting five-speed automatic transmission as slick as any luxury car's. Handling, while not exactly sports-car sharp, is not dulled by the usual surplus weight that makes most 4x4s lumbering companions. It drives like a good car, but with the added bonus of the high driving position, which research shows is one of the main appeals of utility vehicles. It is also prodigiously roomy, with a spacious rear seat and a vast trunk.

BUT ON, THE PLASTIC If only the cabin looked better! Oh yes, there's wood and typical Benz-like instruments, which are models of class and clarity; but the plastic textures of the dash and cabin fittings are what you'd expect to find in a Moskvitch, and there's an insubstantial feel to many of the controls. Even the carpets feel low-quality. A revamp is apparently on the way, and it can't come a moment too soon.

The only other downside is the fuel consumption. Even though it feels reasonably nimble, the ML320, as tested, weighs the best part of two tons. And nothing encourages gluttony like a heavy body. A better V6 car is likely to record much better gas mileage.

But there's little else wrong with this likable machine. It's even quite good off-road. It lacks the usual locking differentials and vast truck-like axles and springs, yet it's electronic traction control helps give good loose-surface grip. It would have little trouble dealing with gravel roads, mild snowy ascents, or shallow river crossings. So if you really want to take the first off-roader designed for on-road, off-road, it won't let you down. Although you might feel a little crazy doing it.

• Mercedes ML320. About \$50,000. V6 engine, 3199cc, 218 bhp at 5,600 rpm. Five-speed automatic transmission, four-wheel drive. Top speed: 185 kph (115 mph). Acceleration: 0-100 kph in 9.8 seconds. Average fuel consumption: 14.0 liters/100km.

Next: The Audi TT

Gavin Green is editor in chief of Car magazine.

MOVIE GUIDE

PAYBACK

Directed by Brian Helgeland, U.S.

No actor should have to mouth the ludicrous hard-boiled dialogue — lines like, "What's the matter, cat got your crotch?" — that lends "Payback," the new Mel Gibson action-adventure film, the flavor of a stale "Saturday Night Live" parody. This bizarre did of a genre movie, adapted from the same Richard Stark novel ("The Hunter") that inspired the 1967 film "Point Blank," is set in a dank, urban oo-man's land. Here sadism rules, all women are prostitutes, the cops corrupt and morality a matter of evil versus evil. Gibson is Porter, a career criminal who after recovering from near-fatal gunshot wounds at the hands of his double-crossing partner, Val (Gregg Henry), embarks on a killing spree to recover the \$70,000 his sidekick stole from him. Before he's finished, but not before a scene in which we watch his agonized grimaces as two of his toes are smashed by a sledgehammer. Porter goes up against the kingpins of a crime organization called the Outfit, in a battle that culminates with some cheesy cut-rate pyrotechnics. "Payback," directed by Brian Helgeland, one of the writers responsible for the elegant screenplay of "L.A. Confidential," comes at you (not just your toes but your mind) with the subtlety of a sledgehammer. Gibson, affecting his best macho growl, is at least able to keep a straight face through the tortured purple prose his character, who narrates the movie, is forced to deliver. But Henry's Val is a garish comic-book fiend, while Kris Kristofferson, as the king of all underworld kingpins, delivers yet another overperformance, speaking in a dull, sepulchral monotone, his eyes squinted shut. What it lacks in originality, "Payback" tries to make up for in sadistic gore. Before they begin shooting and slicing one another, the characters take cackling relish in describing the tortures they would like to inflict. Amid the countless beatings that are administered, one kick in the groin won't do. There have to be at least three per cent. What one word might best describe "Payback"? How about "loathsome"? (Stephen Holden, NYT)

LA NINA DE TUS OJOS

Directed by Fernando Trueba, Spain.

Fernando Trueba won an Oscar for best foreign film in 1993 for "Belle Époque," and since then he has been fine tuning the script for his latest movie, "La Nina de Tus Ojos." The plot concerns some Spanish actors whom Franco sent, during the Spanish Civil War in 1938, to Hitler's Berlin to make a movie. That much is based on real history, but the details of the film's story are fictional. Billed as a comedy, the film soon turns dramatic when the naive Spaniards learn that Hitler is persecuting the Jews. The Jews, in turn, are pressed into service as extras for the Spanish movie because the blond Germans at the Berlin studio just don't look the part of dark-haired Spaniards. Trueba labors before achieving a certain cruising speed for his film, and it has enticing moments, and much fine photography, before running into some trouble toward the end. That's when drama finally prevails over comedy and when there are some scenes like the airport farewell that seems blatantly inspired by the classic "Casablanca." But the movie is fine vehicle for Penelope Cruz, who shines with a broad range of emotions in the role of a saucy Spanish tavern singer. Her love interest, the Czech actor Karel Dobry, as a Jewish prisoner, provides a gripping intensity, and her frustrated director, Antonio Resines, is convincing as a man plagued by bad timing. But a troupe of supporting veteran Spanish actors turns in uneven performances, and the ambitious film falls short of its full potential. (Al Goodman, IHT)

GLORIA

Directed by Sidney Lumet, U.S.

Sharon Stone may have left her heart in San Francisco, but the rest of her is strictly from N.Y. in a richly comic performance as the heroine of "Gloria." To bear Stone turning "off" into "awf," "all right" into "awright," "the" into "duh" and "go ahead" into "g head" is a delight all by itself. But her Gloria also talks tough, spews obscenities, wields handguns with unflinching authority, drives like a demon, makes grown males strip, tells a little boy precisely why "loathsome" is not a man and gives him advice about the kind of fun she



Maria Bello and Mel Gibson in the out of control "Payback."

expects him to have when — and if — he grows up, which involves booze, gambling, tuxedos and skinny but otherwise well-endowed blondes. A self-described broad, Gloria is a brassy, gutsy, foul-mouthed ex-con who finds she has an unexpected heart of mush when her error-prone path through life crosses that of little Nicky Nunez (Jean-Luke Figueroa). As written by Steve Antin and directed by Sidney Lumet with his customary fine eye for the urban landscape of New York City, this "Gloria" is a smoother, funnier, more suspenseful, more endearing version of the 1980 John Cassavetes film of the same title. Young Figueroa makes a fine foil for the intermittently maternal Gloria. And Stone, who in one guise or another has always been a treat, turns in a performance that merits the key to N.Y. Yaw. (Lawrence Van Gelder, NYT)

L.A.'s Little Tokyo Is Still a Hub

By Todd S. Purdum
New York Times Service

LOS ANGELES — For more than a century, a few square blocks in downtown Los Angeles have been the spiritual center of the largest Japanese-American community in North America. But times have often been tough for Little Tokyo.

It sprang up in the first place because Japanese immigrants were barred from owning property in white neighborhoods.

By the eve of World War II, the area was a thriving enclave of stores and apartments in the shadow of City Hall, but the forced internment of Japanese-Americans left it devastated. After the war, succeeding generations spread to the suburbs and returned mainly to shop and eat sushi. The 1992 riots scared away tourists and Angelenos alike, leaving the future uncertain.

"I think Little Tokyo is sort of in the middle of a transition that even those of us who live and work here are not quite sure how it's going to turn out," said Bill Watanabe, executive director of the Little Tokyo Service Center, a 20-year-old nonprofit social service and economic development organization. "What we're trying to do is see how we can shift from being a community of people who might live here to a community of people who have some link to the cultural and ethnic tie."

To that end, the opening on Jan. 23 of a new 85,000-square-foot pavilion at the Japanese American National Museum at 369 East First Street was a milestone in the community's efforts to endure and prevail. The new pavilion — actually a whole new building, designed by Gyo Ohtani, architect of the National Air and Space Museum in Washington — triples the size of the original museum, which had the bad luck to open in 1992 on the first day of the Los Angeles riots.

Situated just across a graceful plaza from the original museum, which is housed in a 1925 former Buddhist temple, the new stone, steel and glass pavilion, with a peaceful interior garden, will house changing exhibits from the museum's collection of 30,000 objects, including artifacts, paintings and films. Together, they trace the Japanese experience in America from earliest immigration to the present.

Founded by a coalition of Japanese-American businessmen and World War II veterans, the museum has always emphasized the searing experience of war and internment on Japanese-Americans, and that will remain an important part of its mission, officials say.

'It's an important place that we can say is our place and has historical significance.'

But the new space, part of a \$45 million expansion, allowed the creation of a National Resource Center, a kind of library with an interactive data base of images and text from the museum's collection, along with changing exhibits by Japanese-American artists.

The main opening exhibit, on view through 2001, is called "Common Ground: The Heart of Community." It features everything from an old baseball uniform from a Japanese-American team to a reconstructed tar-paper barracks from the relocation camp in Heart Mountain, Wyoming, its bare wood floors silent witness to the hysteria in which 120,000 Japanese-Americans in western states were imprisoned by presidential order from 1942 to 1945.

Also on view, through July 4, is a video and multimedia installation by Bruce and Norman Yonemoto, third-generation brothers based in Los Angeles, known for exploring, among other things, the role cinematic images play in creating concepts of race and ethnicity. The museum (213) 625-0414, is open daily except Mondays; admission \$6.

But the museum is not the only new addition in Little Tokyo's three-block-square area. Last year, the East West Players, a theater company, moved into the newly restored Union Church building on San Pedro Street. It has staged a well-received revival of Stephen Sondheim's "Pacific Overtures," and this winter featured Danay Glover and Nobu McCarthy in "Yohen," by Philip Kan Gotanda, about an interracial couple's struggle to preserve their marriage. Information: (213) 625-7000.

A stroll through Weller Court, a shopping mall with fancy boutiques, and vending machines selling canned Japanese iced coffees, leads to the New Otani Hotel at East First and South Los Angeles Streets, a favorite of Japanese businessmen and tourists, with its elegant garden and well-regarded restaurant, A Thousand Cranes.

The James Irvine Garden, an oasis in the traditional Japanese style, is adjacent to the Japanese American Cultural and Community Center at 244 South San Pedro Street, where the sweeping red brick plaza and stone sculpture were designed by the Los Angeles-born sculptor Isamu Noguchi.

"Now there are Japanese shops and businesses throughout Southern California, so you can buy food and eat noodles anywhere, and that has made for a gradual shrinking of Little Tokyo," Watanabe of the Little Tokyo Service Center said. "But I think it's an important place that we can say is our place and has historical significance."

ARTS GUIDE

AUSTRIA

VIENNA
Historical Museum of the City of Vienna, tel: (1) 625-24-0, open daily. To April 5: "Samurai & Bushido: The Mirror of Japan." A survey of Japanese history and art from the mid-16th century to the beginning of the Meiji period in 1867 with 250 hanging scrolls, kimonos, tea ceremony implements, armor and weapons.
www.museum.vienna.at/samurai/

BRITAIN

EDINBURGH
Scottish National Portrait Gallery, tel: (131) 332-2266, open daily. Continuing To March 7: "Prophets and Pilgrims: Ruskin, Proust and Northern Gothic." John Ruskin, the Victorian art critic and theorist, had a great influence on 19th-century figures, including Proust, who translated Ruskin's work into French. The exhibition features drawings and watercolors.

FRANCE

PARIS
Musée d'Art Moderne de la Ville de Paris, tel: 01-53-67-40-00, closed Mondays. Continuing To April 18: "Mark Rothko." Figurative paintings of the 1930s, Surrealist-influenced works of the '40s and the large colorful canvases that lead to the somber paintings created just before the American painter's death in 1970.

GERMANY

FRANKFURT
Schirn Kunsthalle Frankfurt, tel: (69) 299-882-11, closed Mondays. Continuing To April 11: "August Brödel (Ancient Eyes)." Small wooden panels, in wax painting or tempera, that were added to Egyptian mummies in Roman times.
www.schirn.de

ITALY

MILAN
Palazzo Reale, tel: (02) 8891-5738, open daily. Continuing To

NETHERLANDS

AMSTERDAM
Rijksmuseum, tel: (20) 673-2121, open daily. Continuing To March



Mark Rothko, in 1961, with "Number 7," painted a year earlier. The artist's works are in a Paris show.

Regard Libre. Sixty works by the Spanish painter (1748-1822) on loan from European, American and Mexican collections.

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NETHERLANDS

AMSTERDAM
Rijksmuseum, tel: (20) 673-2121, open daily. Continuing To March

OSAKA
The National Museum of Art, tel: (8) 6378-2481, closed Mondays. To March 28: "Embodying Logos." Documents the works of 14 contemporary German female artists, including Rebecca Horn and Rosemarie Trockel.
www.nmao.go.jp

TOKYO
National Museum of Western Art, tel: (3) 3829-5131, closed Mondays. Continuing To March 7: "Goya: Unique and an Artist of His Time." Approximately 300 works by the Spanish painter (1746-1828) and his contemporaries.
www.nmwa.go.jp

NETHERLANDS

AMSTERDAM
Rijksmuseum, tel: (20) 673-2121, open daily. Continuing To March

14: "Adriaen de Vries, Imperial Sculptor, 1558-1626." Fifty bronzes and 25 drawings by the Dutch sculptor whose work was commissioned by European royalties.

SWEDEN

STOCKHOLM
Moderna Museet, tel: (8) 51-95-52-00, closed Mondays. Continuing To March 7: "Jean Paulin: Paintings, Sculptures, Works on Paper." A commemoration of the centenary of the French painter's birth.

TAIWAN

TAIPEI
Chang Foundation, tel: (2) 2356-9575, closed Feb. 15-16. Continuing To March 14: "Tibetan and Qing Dynasty Buddhist Images." A small exhibition of Buddhist terms on loan from the Summer Palace at Chengde, China.

UNITED STATES

NEW YORK
Metropolitan Museum of Art, tel: (212) 570-3951, closed Mondays. Extended To Feb. 21: "From Van Eyck to Bruegel: Early Netherlandish Painting in the Metropolitan Museum of Art." More than 140 works by 15th- and 16th-century artists, such as Petrus Christus, Hans Memling, Gerard David, Rogier van der Weyden and Jan van Eyck.
www.metmuseum.org

CLOSING SOON

AMERICA
Feb. 15: "Edo: Art in Japan, 1615-1868." National Gallery of Art, Washington.

ASIA
Feb. 14: "Masterpieces From the Museum of Art, Tokyo." Bunkamura Museum of Art, Tokyo.

EUROPE
Feb. 14: "Turner in the Alps." Tate Gallery, London.

Feb. 14: "Rembrandt and Amsterdam." Institut Neerlandais, Paris.

Compiled by Elisabeth Hopkins

CROSSWORD

ACROSS
1 Like some magazine ads
19 Bakery offering
17 Be exasperating
18 Hematologist's supply
19 Pitch
20 Ill-tempered
21 On the
22 TV frame mess.
23 Aims of oil
24 General of Chinese manu fame
25 "Thel" do
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43 "Interesting"
44 Domino unit
45 Ancient Olympics site
46 Workbook feature
47 Turn
48 Finish, of a sort
49 Give (care)
50 Stale
51 Like some crowds
52 The hell
53 Tusked animal
54 Hair coloring carrier
55 Card game for up to 10 players
56 Tennis star
57 "A Hard Day's Night" Progress' artist
58 Attributes
59 Pizzeria order

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Solution to Puzzle of Feb. 11
RAPT GORGI ZOLA
ELIRE ATURN ENOS
OPOMILO TOFUSUCKS
DEMILOE LOSEIT
DODOS NON
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BLOW POURS ORO
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LAVOURMONEY
PIE NAMED
ADESTE ADDIONE
FORKOVERADUNDE
AMTI EXEL DOVE
REED SPOR EWEIS

INTERNATIONAL FUNDS LISTING
Track the performance of over 2,400 international funds, every day, on the IHT site on the World Wide Web.
http://www.ihf.com

GOOD TRAVEL DEALS

GETTING THERE		
AER LINGUS	Britain to Ireland	Round-trip for £129 (\$210) for two people from London Heathrow to Shannon. Accommodation from £19 per night and Hertz car rental from £18 per day. Some conditions apply. Until March 27. (44-845) 737-747.
ALL NIPPON AIRWAYS	Paris to Honolulu	Round-trip (via Tokyo) for 3,500 francs (\$603). Conditions apply. For departures until Feb. 26, from March 1 to 15 and March 24 to 29. (33-1) 5383-5225.
BRITISH AIRWAYS	Worldwide	New "Explorer" around-the-world fares with OneWorld alliance partners (American Airlines, Canadian Airlines, Cathay Pacific and Qantas) from £960 (\$1,400) in economy. Sample routing: London-Buenos Aires-Santiago, Chile-Dallas-Vancouver, British Columbia-Sydney-Melbourne-Tokyo-Singapore-London. Economy, £1,190; business class, £3,050; first class, £4,500.
DELTA	France to United States	SkyMiles members earn double miles on nonstop flights in business class from Paris/Nice to New York JFK, or Paris to New York, Atlanta, Boston, Chicago, Cincinnati, Los Angeles, San Francisco, Washington until March 31.
JETSET	Britain to Ireland	Three-day package for £149 (\$245) per person includes round-trip flights to Shannon with AB Airlines, three-day Hertz car rental and two nights' accommodations and breakfast in a three-star hotel. Until March 31. (44-8706) 09-09-09.
KLM UK	Britain	Round-trip fare of £39 (\$64), including airport tax, from London Stansted to Glasgow, Edinburgh, Aberdeen or Newcastle and from London City to Manchester, Glasgow or Edinburgh. For travel until March 25. Some restrictions apply. (44-1803) 424-288 or 0890-074074.
QANTAS	France to Australia	Round-trip for 5,700 francs (\$980) from Paris to Adelaide, Brisbane, Cairns, Darwin, Melbourne, Perth, Sydney; 6,800 francs from Bordeaux, Lyon, Marseille, Nice, Toulouse. Conditions apply. Must book by March 31 for departure before June 30. Toll free: 0803 846-846 in France.
ROYAL VIKING SUN	Shanghai to Tokyo	Sail from Shanghai to Tokyo, April 2 to 10, and return by air from 17,800 yuan (\$2,150) per person (double occupancy).
WHERE TO STAY		
FOUR SEASONS	New York	Discounts of 25 percent for "superior" and "deluxe" rooms. Doubles for \$415 to \$495, plus taxes. Until Aug. 31. (1-212) 758-5700.
LE GRIMALDI	Nice	Three nights' double accommodation for 760 francs (\$130) a night includes buffet breakfast, welcome Champagne and a gift. Until March 31. (33-4) 9316-0024.
KOWLOON HOTEL	Hong Kong	Rates from 1,000 Hong Kong dollars (\$130) per room per night, plus tax and service, include American buffet breakfast and round-trip airport transfers. Until May 14.
LIBERTEL HOTELS	Paris	Rooms from 395 francs (\$68) at 36 properties in Paris. Until March 31.
RADISSON SAS ST. HELENS	Dublin	Two nights for two people for £240 (\$390) includes buffet breakfast and tickets to the "reserved" enclosure for one day of racing at Leopardstown Racecourse, five minutes away. Until March 31.
ROYAL GARDEN	London	Easter Break weekend for £130 (\$212) per night for two people includes English breakfast, two tickets to Andrew Lloyd Webber's "Whistle Down the Wind," pre-theater champagne and canapés and post-theater coffee and chocolates. Until March 31.

Compiled by Roger Colts/Although the IHT carefully checks these offers, please be forewarned that some travel agents may be unaware of them, or unable to book them.

BOOKS

STALIN'S SPY Richard Sorge and the Tokyo Espionage Ring

By Robert Whymant. Illustrated. 368 pages. \$25.95. St. Martin's Press.

Reviewed by Richard Bernstein

IN 1964, Richard Sorge, the celebrated spy who provided information to Soviet military intelligence from his base in World War II Tokyo, officially became a hero of the Soviet Union. It did him no good, since he had been executed in Japan in 1943, but it illustrated the paradox of his remarkable career.

After his capture by the Japanese, against whom he had spied, Sorge was offered to the Soviet Union in exchange for Japanese spies imprisoned in Russia. "The man called Richard Sorge is unknown to us," Soviet officials replied, wanting nothing to do with their most important espionage agent in Asia.

It could be said that the man called Richard Sorge has been unknown to most of us. But thanks to "Stalin's Spy," by the British journalist Robert Whymant, we now know a great deal about the romantic, intelligent, reckless and extraordinary German communist who was one of history's most successful spies.

That he was recognized for his accomplishments in the Soviet Union only 21 years after his execution is merely one of several paradoxes in a history that is scrupulously and readably presented in Whymant's book. Another is that Stalin ignored the single most important piece of information that it would have been possible for a Soviet spy to obtain: advance knowledge of Germany's plans to invade the Soviet Union in 1941.

More important, perhaps, Sorge, though a pro-Soviet communist, credibly emerges in Whymant's portrayal as a hero, and not only to the Soviet Union. His major motivation was hatred of Hitler and Nazism in Germany, and his work was aimed at hastening their defeat.

"Certainly, Sorge's primary duty in Tokyo was to help the Soviet Union ward off a very real threat from Japan," Whymant writes. "However, he saw Nazi Germany as the most evil and dangerous foe, not only of Russia but of civilization itself."

Thwarted by Stalin's stubborn refusal to believe his warning of the German invasion, Sorge leaked the information

to an American journalist, Joseph Newman of The New York Herald Tribune. He also provided information to Western reporters on Japan's ambitions to conquer Southeast Asia. "Taking a broad strategic view, Sorge reckoned that it was imperative to alert the Western democracies to Japan's aggressive designs," Whymant concludes.

Whymant, who spent about 20 years researching this book, tracked down survivors of the Tokyo espionage ring that Sorge led and made good use of newly opened Soviet archives to piece together the full and fascinating story of "Stalin's Spy."

Sorge was born in Baku, Azerbaijan, where his German father worked in the oil fields. But Sorge, whose mother was Russian, was taken at an early age to Germany, growing up in Berlin and serving as an artillery bombardier in World War I. Wounded and disillusioned, he returned home from the war and quickly became active in the Communist Party. In the mid-1920s, he was recruited by the Comintern, the Communist International, to become a Soviet agent.

His first posting was Shanghai, during an early stage of the conflict between Chinese Nationalists and Communists. Among his closest friends was the pro-Communist American journalist Agnes Smedley, who introduced him to some of the people who would later form part of his secret circle in Tokyo, including a well-connected, secretly leftist Japanese journalist named Ozaki Hotsumi.

Called back in Moscow in 1933, Sorge was soon sent to Tokyo with instructions to report on Japan's intentions toward the Soviet Union in the global conflict already looming.

Sorge returned for a time to Germany to establish his connections as a German journalist. His wartime service and his wounds served him well as he sought letters of introduction to German officials, including the German military attaché Eugen Ott, who would later become Hitler's ambassador to Japan.

Sorge arrived in Tokyo in September 1933 as an officer in the Soviet Army, attached to the Fourth Department, responsible for agents operating in foreign countries. During his nine years in Japan, he built a small but remarkable network of informers who fed Moscow an amazing stream of information.

Whymant's account of those years is

gripping and instructive, and not only because of Sorge's exploits in espionage. Sorge lived temperately and licentiously in Tokyo, drinking to excess, speeding around town on a motorcycle and pursuing Japanese and German women (including a visiting anti-Nazi harp-schordist named Eta Harich-Schneider).

Surprisingly, he did not even bother much to conceal his pro-Russian and anti-Nazi sentiments, which seem to have been dismissed in the German Embassy as the quirks of a brilliant and valuable analyst of Japan. While a few gaps in the record remain unfilled, Whymant is able to tell us almost exactly how Sorge built his Tokyo network and how he obtained the information he passed on to the Soviet Union.

A key to his success was his friendship with Ozaki Hotsumi, his old friend from Shanghai who belonged to the circle of advisers around the Japanese prime minister, Prince Konoze. But the most important intelligence that fell into Sorge's hands came from the Germans. Sorge was so trusted in the embassy that his good friend Ott sent him on a secret mission to Shanghai, giving him the German cipher tables used in communications with Berlin.

Whymant writes: "It stretches the imagination to suppose that these coveted keys were not spirited out of Japan and passed on to Moscow's code-breakers."

Whymant covers all of the essential questions about the Soviet spy's career, including Sorge's growing ambivalence toward the Soviet Union under Stalin and the sense he had of being trapped in his role. In 1937 he ignored an order to return to Moscow for consultations, apparently sensing that he might be imprisoned or executed.

Japan finally caught up with him in 1942 after the interrogation of a minor member of his network. After months of questioning, he was hanged. Had the Japanese been able to turn him over to the Russians, he would almost certainly have been shot, given Stalin's embarrassment at having ignored Sorge's information about Hitler's invasion plans.

In other words, Whymant's portrayal of Sorge's life as one of tragic ambiguity is persuasive. "Stalin's Spy" is an utterly fascinating book that treats Sorge with the complexity that his life and career deserve.

New York Times Service

BRIDGE

By Alan Truscott

ASK a contract bridge expert when and where the game developed, and the answer is likely to focus on Harold Vanderbilt's celebrated cruise through the Panama Canal in 1925. That great yachtsman certainly codified the modern form, but he did not invent it. The contract idea was popular in France a decade earlier, under the name *plafond*, and four English officers in India were perhaps earlier still.

Auction bridge, in which a player could score a game or a slam without bidding it, appeared about 1903, but the predecessor game, simply called bridge, has a long and obscure history. There are several references to it within

the Ottoman Empire, one of which records play in Constantinople in 1873.

There is a slight possibility that it was played there much earlier, by British officers during the Crimean War of 1854-56. As in the prior game of whist, it was played by opposing partners. It introduced the dummy hand and the right for the dealer or his partner to name the trump suit. It also permitted unlimited doubles and redoubles.

Turkey seems to have forgotten its claim to have originated the game, but it has an active national organization. At a recent tournament commemorating the 75th anniversary of the foundation of the Turkish Republic, 210 pairs took part. The winners were Tamer Uz and Nezhir Kubac, two young stars.

The most dramatic deal, in the diagram, was greatly enjoyed by the South player, Nihal Kefeli. When East rashly doubled her in four hearts, she was delighted to redouble, and would probably have gone on redoubling forever if the laws of the previous century had still been in force.

A club was led to the ace and two top spades were cashed. She ruffed a spade and led the heart nine, running it when East played low.

On the next trump lead, East played the jack and the ace won. Diamonds were led, and when East ruffed the third round with the heart seven, South discarded her club loser. She ruffed a club-lead and exited with her last spade, scoring the king-ten of hearts at the finish over the queen-four. That meant an overtrick

NORTH (O)			
♠ 8 6 5	♥ 8 7 6	♦ K 6 4 3 2	♣ 3
WEST			
♠ 10 3 2	♥ Q 7 4 2	♦ J 10 5	♣ K 10 4
♠ Q 7 6 5 3	♥ 8 7 6 5	♦ K 10 4	♣ K 10 4
SOUTH			
♠ A K 8 6	♥ A K 10 3 3	♦ Q 8	♣ A 2
♠ A 2	♥ A 2	♦ A 2	♣ A 2
Neither side was vulnerable. The bidding:			
North	East	South	West
3 ♠	Pass	3 ♥	Pass
4 ♥	Pass	4 ♥	Pass
5 ♥	Pass	5 ♥	Pass
6 ♥	Pass	6 ♥	Pass
7 ♥	Pass	7 ♥	Pass
8 ♥	Pass	8 ♥	Pass
9 ♥	Pass	9 ♥	Pass
10 ♥	Pass	10 ♥	Pass
11 ♥	Pass	11 ♥	Pass
12 ♥	Pass	12 ♥	Pass
13 ♥	Pass	13 ♥	Pass
14 ♥	Pass	14 ♥	Pass
15 ♥	Pass	15 ♥	Pass
16 ♥	Pass	16 ♥	Pass
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31 ♥	Pass	31 ♥	Pass
32 ♥	Pass	32 ♥	Pass
33 ♥	Pass	33 ♥	Pass
34 ♥	Pass	34 ♥	Pass
35 ♥	Pass	35 ♥	Pass
36 ♥	Pass	36 ♥	Pass
37 ♥	Pass	37 ♥	Pass
38 ♥	Pass	38 ♥	Pass
39 ♥	Pass	39 ♥	Pass
40 ♥	Pass	40 ♥	Pass
41 ♥	Pass	41 ♥	Pass
42 ♥	Pass	42 ♥	Pass
43 ♥	Pass	43 ♥	Pass
44 ♥	Pass	44 ♥	Pass</

INTERNATIONAL

Baghdad Scores Diplomatic Point as Aziz Visit to Turkey Is Announced

By Stephen Kinzer
New York Times Service

ISTANBUL — The government of Saddam Hussein scored at least a symbolic diplomatic coup when it was announced that the Iraqi deputy prime minister, Tariq Aziz, would visit Turkey next week.

A statement from the Foreign Ministry said Mr. Aziz would arrive in Ankara on Monday for "high-level discussions regarding Iraq and the Turkey-Iraq relationship."

The announcement Wednesday came when Iraq appeared to be increasingly isolated. In recent weeks, Baghdad has bitterly accused many countries in the Middle East of abandoning the Iraqi cause.

At the same time, the United States has stepped up its efforts to overthrow the Iraqi government. U.S. planes were bombing Iraq at almost the same moment that Mr. Aziz's visit to Ankara was being announced.

Although Turkey and the United States are NATO allies and close political partners, differences between their policies toward Iraq have broken into the open since Bülent Ecevit became prime minister last month. The U.S. Embassy in Ankara, where diplomats are anxious to prevent Iraq from driving a wedge between the United States and Turkey, issued a restrained statement in response. It said only that Turkey "has its own foreign policy" and that Turkish leaders should "stress to Aziz the need for Iraq to comply with UN Security Council resolutions."

A U.S. official speaking on condition of anonymity, however, was more explicit. "We don't like it," the diplomat said of Mr. Aziz's planned visit. "Why would they give him sanction and access when we're trying to isolate him? It runs counter to what we want to do."

[Mr. Aziz said Thursday he would ask Ankara to end a mandate allowing the United States and Britain to use a Turkish air base to enforce a no-flight zone over northern Iraq. Reuters reported

from Baghdad. "Of course," Mr. Aziz said when asked if he would urge Turkey to terminate the mandate. "Certainly I will raise the issue."

Mr. Aziz also said that his government would continue to challenge the no-flight zones in northern and southern Iraq.

Mr. Ecevit, a lifelong leftist and self-proclaimed anti-imperialist, has for years expressed sympathy with Iraq and Mr. Saddam. This month, as U.S. war planes flying from Incirlik Air Base in southern Turkey have repeatedly bombed Iraqi targets, Mr. Ecevit has begun to question their mission.

"The Iraqis are zealous supporters of their independence," Mr. Ecevit said in a television interview last week. "It is unclear how the American government will reach its goals to overthrow Saddam Hussein."

It doesn't seem to have formed a policy on Iraq. It needs to plan carefully what to do about that issue, and Turkey should contribute to those plans."

Foreign Minister Ismail Cem said Turkey remains willing to allow U.S. planes to use the Incirlik base and wants Iraq to comply with UN resolutions that require it to allow monitoring of its weapons programs.

"We're very strongly asking for full compliance," Mr. Cem said. "The Americans have their policies, but Iraq is a state and a neighbor of ours. When the leadership of a neighboring state asks to create the groundwork for coming over and having bilateral talks, I think it is normal to proceed with that."

Turkey and Iraq enjoyed good relations before the Gulf War. Since the war, Turkey has lost billions of dollars as a result of trade sanctions imposed on Iraq by the United Nations.

A national election is scheduled here on April 18, and by inviting Iraq's second-ranking leader to Ankara, Mr. Ecevit may be seeking to shore up his support among leftist voters and the thousands of families along the Iraqi border who have lost their livelihoods as a result of the UN sanctions.

"Ecevit is under intense criticism for sitting on the lap of the United States and letting the Americans use the Incirlik base for bombing Iraq," said Cengiz Candar, an author and commentator who is a specialist on Middle East politics.

"It runs against the image he cultivated over the years as having a distance from the United States and sympathizing with the plight of the Iraqi people and with Saddam."

New U.S. Strikes in the North

The Pentagon said U.S. jets attacked several Iraqi air defense sites Thursday after being targeted by radar in the northern no-flight zone. The Associated Press reported from Washington.

It was the second clash in two days. On Wednesday allied jets retaliated against violations of the no-flight zone in southern Iraq.

Iraq claimed that two civilians were killed and several injured. The U.S. European Command, which oversees the northern zone, said a damage assessment was under way.

BRIEFLY

Israel Angry at EU

JERUSALEM — Foreign Minister Yitzhak Mordechai met Thursday with Israeli leaders who are furious over what they view as the European Union's pro-Palestinian bias.

Representing the 15-nation European Union, Mr. Fischer met with President Ezer Weizman and was scheduled to hold talks with Prime Minister Benjamin Netanyahu on his first trip to Israel as Germany's foreign minister.

But Mr. Fischer's longest scheduled meeting, with Foreign Minister Ariel Sharon, was canceled when doctors ordered the Israeli official to stay in bed because of a knee injury, the Foreign Ministry said. (AFP)

Brazil Drownings

BRASILIA — At least three people were killed and 60 to 70 were missing after a boat capsized on a river in the Brazilian Amazon, a police spokesman said on Thursday.

The boat was carrying 150 passengers when it capsized Wednesday night, said Lieutenant Colonel Moacyr Carioca, spokesman for the police in Amazonas state. (Reuters)

Mass Algeria Grave

ALGIERS — Algerian security forces have found a mass grave in an abandoned well in Ouled Aïlé, about 20 kilometers (12 miles) south of Algiers, press reports said Thursday. Firefighters clearing the well estimated the number of corpses in the dozens. (AFP)

Forest Protection Plan Puts Halt on Roads

WASHINGTON (AP) — The Clinton administration ordered a halt Thursday to road construction in more than 33 million acres of national forests, a move environmentalists hope will lead to permanent protection of vast areas of forest land.

But the plan, announced by the Agriculture Department, will exempt large expanses of old-growth forest in the Northwest and in Alaska where road building may continue under previously enacted forest management plans.

The 18-month moratorium represents "an official time out," Agriculture Secretary Dan Glickman said at a news conference. The plan is little changed from last year's draft, but it adds some forests in the southern Appalachians.

Officials said the moratorium, a prelude to a broader permanent forest road plan, would prevent construction of about 360 miles of road and block the harvesting of about 200 million board feet of lumber, officials said.

KOSOVO: U.S. Officials Say Albright Will Intervene Personally in Peace Talks to Help Resolve Security Issues

Continued from Page 1

that it "effectively gives the Kosovars all the real freedom you can imagine to live their lives and do their business and run their communities as they want."

"Nobody's being asked to give up their ultimate aspirations," he said, explaining that Kosovo leaders could count on international help on settling the province's final status after the three-year interim period of interim autonomy stipulated in the Rambouillet plan.

The word "referendum" — which many ethnic Albanians see as a quasi-guarantee of eventual independence

the plan, notably these points:

- Yugoslav armed forces under Belgrade's command in Kosovo, now numbering about 14,000, would all have to leave the province except for 1,500 border guards, who would have to stay in their frontier positions under rules enforced by NATO ground troops in the planned implementation force.

- Yugoslav police in Kosovo — a paramilitary force divided into three services and thought to have numbered 15,000 last year when specialized units assailed ethnic Albanian villages — would be limited to 2,500 men for a year, while new local police forces were

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SCANDAL: Damage Is Widespread as the Trial Moves to a Close

Continued from Page 1

was profoundly affected by Watergate," said Robert Dallek, a biographer of President Lyndon Johnson. "This is much more a personal than a governmental crisis."

Thomas Cronin, president of Whitman College and another presidential scholar, agreed. "What is being punished here is the individual, not the institution," he said.

The presidency, more than other government institutions, is idiosyncratic, as much a reflection of the person who occupies it and the events of the moment as it is a measure of the powers accorded to any chief executive.

But scholars said that, since the end of the Cold War, the presidency had been reduced in importance in the eyes of the American people.

"The public doesn't speak of it anymore in hushed, reverential tones," Ross Baker of Rutgers University said,

since the revelations of John F. Kennedy's sexual escapades as president. "Bill Clinton has succeeded in bringing it down even further."

But he added, "Real changes have come about from external forces like depression and civil war and world war and cold war rather than the evanescent personality of a single president."

The scholars said they did not anticipate the kind of legislative backlash against the presidency that followed Watergate. Mr. Nixon's resignation took place when Congress was trying to rein in the powers of the president domestically and in foreign affairs. Among its actions toward this end was the creation of the job of independent counsel.

But in this decade, Congress has been ready to give more power to the president, notably through the line-item veto — which the courts declared unconstitutional. And Congress could eliminate or significantly change the independent-counsel statute when it comes

up for renewal this year, an action would that strengthen the presidency.

But no matter what actions it takes, the reputation of Congress already has suffered.

Richard Fenna of the University of Rochester called the impeachment process "a fairly major black eye" for Congress and saw no end to the partisan squabbling that the public dislikes. He predicted there would be even more political tensions now. "Democrats can sense blood," he said.

Like Congress, the press has seen its reputation battered during the past year.

Marvin Kalb, a former television correspondent who now teaches at Harvard, said: "The reputation of news organizations had begun to suffer well before Monica came aboard. But the lines have dipped more precipitously with the scramble of traditional news organizations to hold off the challenge of these new outlets — cable talk programs, 24-hour news, the Internet."

Tom Rosenstiel, a former Los Angeles Times reporter who heads a foundation project for improving journalism, said: "The public resents what it sees as an increasing rush to judgment by the press: unprecedented levels of speculation, punditry and commentary on this story."

Mr. Rosenstiel said he saw two other damaging effects on news organizations themselves. With the multiplication of information channels, he said, "the sources who try to use the press have gained in strength and are more able to manipulate the coverage."

Tom Russert, Washington bureau chief for NBC News, pointed out another peril. "When the media become focused on a story," said Mr. Russert, who is also moderator of the television program "Meet the Press," "we may find ourselves driving it, not just reporting it."

The hardest effect to gauge is any change to the audience in all this.

But Thomas Patterson, another Harvard professor, said: "I think in some ways the one sector that probably has shown the most wisdom in this drama is the public. Pretty early on, they put this in a context and made a decision about it and were not about to be led one way or another by what the major institutions were doing."

CLINTON: Trial Draws to End

Continued from Page 1

out or defeating their colleagues.

"It is deeply troubling that the president views closure of this constitutional process as an opportunity for revenge," Mr. Lott said a statement.

Other Republicans called the Times report a troubling new sign that Mr. Clinton remained defiant and even vindictive.

Mr. Lockhart insisted that Mr. Clinton would not dwell on the past. One of the president's first acts during his State of the Union address last month, Mr. Lockhart noted, was to turn and offer a handshake to the new House Republican leader, Representative Dennis Hastert of Illinois. "That is the spirit in which we will go forward," he said.

Mr. Clinton was mostly out of the public eye on Thursday, meeting with Chancellor Gerhard Schröder of Germany. They did not hold a joint news conference as often happens when foreign leaders visit.

It appeared increasingly likely that Mr. Clinton, whose political fate faced serious peril in the last year, would escape not only with acquittal but without any official censure or rebuke.

A few conservative Republicans, led by Senator Phil Gramm of Texas, have vowed to block a bipartisan push for a motion to censure Mr. Clinton for his conduct. They call censure constitutionally dubious and say it would only provide political cover for legislators planning to oppose conviction.

Instead, censure advocates now plan to circulate a letter of rebuke, to be signed by senators, then sent to the president and possibly included in the Congressional Record.

"One way or the other, this is going to see the light of day," said Senator Diane Feinstein, Democrat of California, a prime sponsor of censure.

A leading Democrat, Senator Edward Kennedy of Massachusetts, sounded a caution, however. A letter or petition is a legitimate expression of senators' views, he said, but "if it only gets 30 signatures, it's not as powerful a statement."

Mr. Clinton is expected to make a public statement soon after the final votes. White House aides said he would acknowledge the outcome, offer thanks to supporters and express contrition. He would devote most of the statement to a call for the nation to move ahead on an "ambitious agenda" of issues.

BANK: A Scathing Assessment of Its Operations in Indonesia

Continued from Page 1

about how the World Bank and IMF should have responded to the upheavals that began in Thailand in July 1997 and have spread across three continents.

The World Bank once offered glowing reports of its successes in Indonesia, where it has helped build electric power systems, ports and highways, and lent billions for primary education.

But now the report concludes that the World Bank's overall success was only "marginally satisfactory," largely because it paid too little attention to a sick banking system and Mr. Suharto's refusal to reform the legal system and open up the political system.

"Issues of poor governance, social

stress and a weak financial sector were not addressed," the report found. It suggests that part of the problem was the World Bank's "special relationship" with Mr. Suharto himself.

The implicit message of the findings is one the World Bank and the IMF are struggling with in Indonesia and elsewhere around the world: Should aid be withheld from countries that are refusing to follow the institutions' advice, either on governance or financial management?

The IMF has periodically withheld small amounts of money from Russia and other nations that have refused to live up to their financial agreements, and the World Bank has sometimes ended aid to countries for projects that were considered a threat to the environment.

But both the World Bank and the IMF are loath to criticize their "clients" in public, for fear of poisoning their relationship with the nations' leaders or triggering a sell-off by investors.

"This is the great conundrum," said Julian Schweitzer, the World Bank's director for strategy and operations in East Asia. "That we didn't get it right in Indonesia is obvious, but understanding how to get it right is difficult."

In a response to the report, the Indonesian minister of state for national development planning, Boediono, wrote to the World Bank that "we do not accept some of the analysis in the report," including its message "that the World Bank did not push hard enough for fundamental reform in Indonesia."

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FRIDAY, FEBRUARY 12, 1999

PAGE 11

Fears of Currency Troubles in '99 Focus on 4 Countries

By Jonathan Fierbringer
New York Times Service

NEW YORK — The global fallout has been limited so far from Brazil's sharp currency plunge in the last month, but four countries are raising a yellow caution flag because they could face problems in raising money and in defending their currencies: Brazil, Indonesia, the Philippines and Thailand.

These four countries are not at this time teetering on the brink of disaster, according to financial analysts and economists who rank countries worldwide.

The Thai economy shows signs of stabilizing. The nation has improved its balance of trade, and its currency, the baht, has rebounded 50 percent from its January 1998 low.

The Philippines has been upgraded from a negative credit outlook by Standard & Poor's Corp. after selling \$1 billion of bonds to global investors in January, albeit at interest rates nearly twice the yield on the 10-year Treasury note. Manila plans another sale in Europe in March.

Indonesia is not so well off. Its currency has slumped more sharply than those of Thailand and the Philippines since the Brazilian devaluation.

But financial analysts say these countries and Brazil are vulnerable if world financial markets tighten up. If there is another flight from risk by investors, credit could dry up for them. If China devalues its currency, the yuan, there could be a fresh run on their currencies.

Each of the countries at risk has a significant amount of debt and interest to pay this year, including bank loans and bonds sold globally to investors. Based on government, corporate and private debt figures compiled by ING Barings, Brazil owes \$53 billion due in the next 12 months, Thailand \$27.8 billion, Indonesia \$27.7 billion and the Philippines \$10.2 billion. The four countries could find it expensive or impossible to raise funds to meet the obligations if investors lose confidence in emerging-market debt.

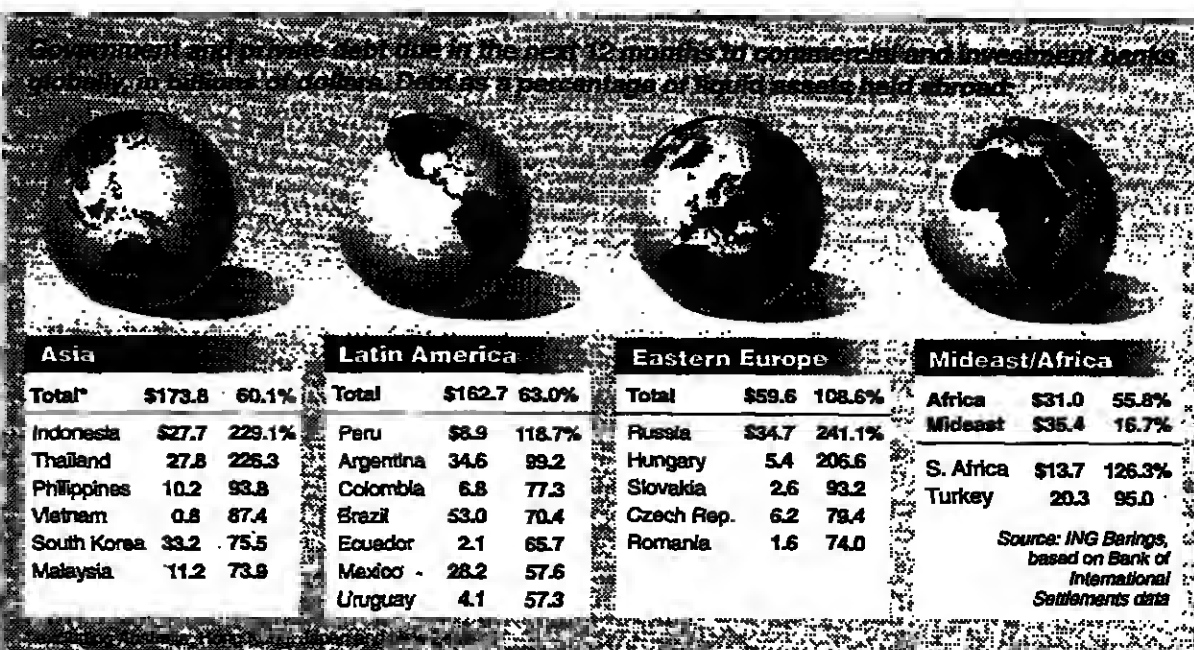
In Brazil, much of the downward pressure on the real, its currency, has stemmed from fear that the country will default on its local and foreign borrowings or will be forced to restructure the debt in a way that will hurt investors.

Short-term interest rates in Brazil have shot up to about 40 percent, and its long-term debt carries a rate of 15.7 percent.

Concerns about Brazil have pushed up interest rates elsewhere in Latin America as well.

This week, the Brazilian central government scrambled to prevent a default by its second-largest state, Minas Gerais, on \$108 billion in Eurobonds by paying the portion the state could not cover.

Along with needing to raise money in the capital markets, all four countries have currencies that would be very hard to defend without raising interest rates sharply, because they lack the foreign reserves needed for vigorous defense action.



Other countries also appear vulnerable but merit less concern because they lack the same combination of debt and currency weakness.

Argentina, for example, is on an ING Barings danger list that concentrates on borrowing needs. But it is not on a Lehman Brothers watch list that focuses on the currency outlook. That is because Argentina has ample dollar reserves and has linked its peso to the dollar.

Other countries high on one of the two lists are the Czech Republic, Hungary, Malaysia, Mexico, Peru, South Africa, South Korea and Turkey.

The ING Barings list, compiled under the direction of Arturo Porzecanski, chief economist for the Americas, looks at government and private debt due in the next 12 months to commercial and investment banks around the world. He compares each country's total debt due with its liquid assets, as well as those of

its companies and citizens in banks and investment banks abroad that he uses to rank a country's risk of defaulting.

"If what comes due substantially exceeds what is deposited, there could be trouble," Mr. Porzecanski said. He uses bank loan and deposit data from the Bank of International Settlements.

See TURMOIL, Page 12

Barclays Picks U.S. Citizen as Chief

Bank of America Executive Played Role in Two Important Mergers

Compiled by Our Staff From Dispatches

LONDON — Barclays PLC said Thursday that it had appointed Michael O'Neill, a Bank of America executive, as chief executive, marking the first time a foreigner will take the post.

Mr. O'Neill, an American, will join Britain's second biggest bank by assets on March 26, filling a vacuum created by the unexpected resignation of Martin Taylor, who quit in November after a boardroom feud over investment losses and future strategy.

Barclays shares jumped on the news, gaining 81 pence, or 5.4 percent, to close at £14.19 (\$23.12) as investors welcomed Mr. O'Neill's appointment.

"Institutional investors were looking for an external candidate to map out a new strategic direction for Barclays, and that is what they've got," said a banking analyst at Salomon Smith Barney Inc.

Mr. O'Neill said he intended to continue to support the bank's four businesses, including Barclays Capital, the controversial investment banking operation. Investment banking functions within an institution like Barclays make sense, he said, but "the trick is to make them run well."

Many investors, however, would like

Barclays to simply sell the unit off.

Richard Pruvlovich, equity fund manager for Britain at Investec Guinness Flight, said, "There are many shareholders who would like to see Barclays Capital disposed of and Barclays become a much bluer chip retail and corporate business."

Last year, Barclays Capital lost \$250 million in Russia, a year after Barclays pulled out of equities trading, in what was seen as an admission that its then-investment bank BZW could never rival Wall Street firms' global expertise.

Mr. O'Neill is currently Bank of America's president of principal investing and wealth management. He has an extensive record of steering complex transactions in the United States.

As chief financial officer at BankAmerica, Mr. O'Neill was the man who put together the financial details of its merger last year with NationsBank.

Four years earlier, he had headed the team that negotiated the tie-up of BankAmerica and Continental Bank.

Barclays said there had been other contenders for the job but Mr. O'Neill was the first choice. Banking sources said earlier in the week that Barclays had drawn up a short list of four external

candidates for the chief executive post.

All four candidates were said to be from the banking industry, unlike Mr. Taylor, whose previous experience had been in textiles and journalism.

Peter Middleton will step down as chief executive when Mr. O'Neill joins, but he will continue as deputy chairman and a director until he succeeds Andrew Buxton, who retires as chairman immediately after the annual shareholders' meeting on April 23.

"Throughout his career, Michael O'Neill has demonstrated his ability to improve the performance and increase the value of complex organizations," Mr. Middleton said.

The bank will pay Mr. O'Neill £2.3 million in salary, bonus, pension and other benefits in the first year. Additionally, Mr. O'Neill will buy £5 million of Barclays stock with his own money, which the bank will match as a performance incentive and hold in trust for three years.

Barclays is the second-largest retail and corporate bank in Britain, and owns Europe's largest credit-card business and the world's highest institutional fund manager.

(Bloomberg, Reuters)

Visa Loses a Skirmish with Citigroup

By Timothy L. O'Brien
New York Times Service

NEW YORK — Last autumn, Visa International gave three of the largest U.S. banks extra seats on its board to appease the banks' concerns that they got too little bang for their buck from the credit-card association.

Visa, which is owned by a consortium of banks that share marketing and processing costs for the credit-card network, had been sparring with the newly merged banking behemoths, especially Citigroup Inc. and BankAmerica Corp., about how advertising and related issues should be handled. Additional board seats were awarded to help calm things down.

But this attempt at détente failed. And with Citigroup's decision last week to begin giving its business to MasterCard International instead of Visa, the war is heating up. At stake are the shape of the credit-card business and the roles played by the two dominant card associations.

About 6,000 banks and other institutions now issue credit cards, but just seven companies control two-thirds of all cards issued. Analysts expect the credit-card business to continue to consolidate.

Both Visa and MasterCard, recognizing how much leverage the big banks wield, have been approaching the biggest credit-card issuers recently with offers of lower fees in return for transferring most of their business to just one of the associations, according to bankers.

A Visa spokesman said the company began pursuing the discount strategy last year to reward "participation in Visa."

MasterCard declined to comment.

But Citigroup also wanted Visa to promote the Citi brand more on television commercials and on the cards. When the association refused to meet the bank's demand last week, John Reed, Citigroup co-chief executive, and another executive from the bank resigned from Visa's board. Citigroup, the second-largest card issuer in the country, said it would begin placing new business exclusively with MasterCard, which is more amenable to its goals.

Although Visa has almost twice the market share of MasterCard, analysts said consumers carrying Citigroup cards would notice little change because MasterCard is accepted at almost all the same places. Mr. Reed asserted recently that BankAmerica and Bank One Corp. were inclined toward his way of thinking.

Citigroup, BankAmerica and Bank One, among the five largest banks in the United States, are the biggest banks on Visa's 11-member board and the only banks to have two board seats.

BankAmerica, created by last year's merger of NationsBank Corp. and BankAmerica, declined to comment directly on its relationship with Visa but appears to be disposed toward Citigroup's aims.

"We do remain advocates for changes in how the card associations operate, not only in the brand but in the marketing they do," said Robert Wynne, a BankAmerica spokesman. BankAmerica is the seventh-largest card issuer, according to the Nilson Report, a trade publication based in Oxford, California.

But Bank One, a product of last year's merger of First Chicago NBD Corp. and Bank One, seems less inclined to share Citigroup's views.

Executives who work with John McCoy, Bank One's chief executive, said he thought branding was not of paramount importance to his bank — largely because Bank One, the leading credit-card issuer, issues a lot of affinity cards that already emphasize different brands.



Former Foreign Minister Roland Dumas is still under investigation.

Christine Deviers-Joncour wrote of efforts to influence Mr. Dumas.

Elf Casts Itself as Victim

It Was Bilked, French Firm Says of Scandal

By Craig R. Whitney
New York Times Service

PARIS — A scandal that has tarred France's biggest oil company, Elf Aquitaine SA, has focused publicly on seamy sex and politics.

Its most prominent figures are Roland Dumas, the country's fifth-ranking official, and a former mistress of his who was a lobbyist for Elf.

Details such as the \$2,000 pair of handmade shoes by Berluti that the lobbyist, Christine Deviers-Joncour, says she bought for Mr. Dumas, and her best-selling book, "The Whore of the Republic," have created the impression that the scandal is mainly about the money Mrs. Deviers-Joncour says she received from her company to influence Mr. Dumas when he was foreign minister.

But the real scandal, according to the current president of Elf, is the way a small team of executives bilked the world's eighth-largest oil-producing company out of at least \$259 million between 1989 and 1993, when it was government-owned.

"The final figure will probably be much higher," said Philippe Jaffre, Elf's president. "It may be impossible

to determine the total." Mr. Jaffre said that about 10 employees had used secret foreign bank accounts, phony go-betweens, kickbacks and dummy real-estate firms to hide what they were doing.

"Whenever Elf made a big acquisition or an investment in this period, you find a middleman who sent a bill for a percentage commission, which was paid to an offshore account," he said at a lunch with American and British reporters.

"Then the middleman returned most of the money to the person behind the fraud. It was classic, textbook embezzlement."

At the time, the company was run by Loik Le Floch-Prigent, who was jailed for six months for questioning by judges investigating the case last year. Mr. Jaffre succeeded Mr. Le Floch-Prigent, 55, a close associate of the late Socialist president, Francois Mitterrand, as Elf's president after a conservative government came to power in 1993 and privatized the company the following year.

Mr. Dumas, 76, another friend whom Mr. Mitterrand made France's

See ELF, Page 12

CURRENCY RATES

Cross Rates	Feb. 11						Other Dollar Values						Feb. 11					
	\$	£	SF	Yen	CS	Drac	Greek	Swede	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$		
London (G)	1.6255	—	2.3005	185.79	2.4183	10.7017	463.36	12.8147	Argenti. peso	0.0099	Hong Kong dollar	2.22	N. Zealand \$	1.81	Sov. ruble	27.70		
New York (B)	—	1.6234	1.4075	115.555	1.4926	6.5649	285.75	7.894	Australian dollar	1.5445	Indian rupee	47.03	Peruvian sol	1.5345	S. Afric. rand	6.7105		
			Closed			0.527	521.3	0.1882	Brazilian real	1.286	Laos kip	870.18	Polish zloty	4.15	S. Korean won	117.6		
Tokyo									Canadian dollar	0.67	Malay. ringgit	0.299	Phil. peso	36.50	Taiwan \$	32.38		
Toronto	1.493	2.2031	1.0477	1.3007	—	—	—	—	Chinese yuan	0.2278	Indonesian rupiah	1,577	Thai baht	37.4				
Zurich	1.415	0.9517	—	1.2352	0.9517	21.52	0.4966	0.1797	Czech koruna	20.36	Laos kip	870.18	Uruguayan peso	1.35				
									Danish krone	6.56	Malay. ringgit	0.299	US dollar	1.00				
									Deutsche mark	1.936	Indonesian rupiah	1,577	Viet. dong	2.27				
									Dracma	200.48	Laos kip	870.18						
									French franc	6.5595	Malay. ringgit	0.299						
									Italian lira	2.036	Indonesian rupiah	1,577						
									Japanese yen	106.47	Laos kip	870.18						
									South African rand	6.71	Malay. ringgit	0.299						
									Swedish krona	8.46	Indonesian rupiah	1,577						
									Swiss franc	1.4756	Laos kip	870.18						
									Thai baht	37.4	Malay. ringgit	0.299						
									US dollar	1.00	Indonesian rupiah	1,577						
									West German mark	1.936	Laos kip	870.18						

EDS to Acquire A Unit of MCI

Bloomberg News

PLANO, Texas — Electronic Data Systems Corp. agreed Thursday to buy MCI WorldCom Inc.'s Systemhouse computer-management unit for \$1.65 billion.

Under a 10-year agreement, EDS will provide services to MCI WorldCom, the second-largest U.S. long-distance phone company, valued at \$5 billion to \$7 billion in revenue — the largest such contract in the telecommunications industry.

MCI WorldCom will manage EDS's voice and data communications for EDS and its customers, a contract valued at \$6 billion to \$8.5 billion in revenue.

Acquiring Systemhouse will help EDS reduce its reliance on contracts from its former parent, General Motors Corp., that accounted for about a quarter of its 1998 revenue.

MCI WorldCom is shedding the unit to focus on its phone business.

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ELF: Company as Main Victim

Euro Marvel: Greece Rivals U.S. in Bond Yields

Bloomberg News
ATHENS — Greece, where inflation was running at 16 percent just a few years ago, may soon pay less to borrow money than the U.S. Treasury.
 In all likelihood, yields on 10-year Greek government bonds, now about 5.89 percent, will slip below those on 10-year U.S. Treasuries this year or next, fund managers said. The gap is less than a percentage point today — and closing.
 Is Greece a better credit risk than Uncle Sam? Greece, where one person in 10 is out of work and where bureaucrats take leave to pick olives?
 No. The Hellenic Republic is just a potent example of convergence, a phenomenon that has accompanied the shift toward a single European currency — and one investors can still profit from.
 For almost a decade, borrowing costs across the Continent have been closing in on one another as nations

aligned their economies for European Economic and Monetary union. Eleven countries, among them Germany and France, adopted the euro on Jan. 1. Greece plans to do so in 2001.
 "The whole point of EMU was to create a single, seamless, homogeneous capital market," said Thomas Carpenter of ASB Capital Management in Washington. "Once Greece moves into EMU, it will merit those yields."
 Bond yields in Germany, the largest economy in Europe, have already slid below the U.S. counterparts. European inflation is so low that investors can accept lower yields without forfeiting their real return. The annual inflation rate of 0.8 percent in the 11-member monetary union is less than half that in the United States.
 Greece is benefiting from the direction of rates in euro countries such as Germany. As Andrew Snowball of Julius Baer Invest-

ments Ltd. put it, Greece is "piggy-backing" on its neighbors' reputations.
 Not everyone is sure Greece will be allowed into the monetary union in two years. A resurgence of inflation — bondholders' biggest enemy and the nation's thorniest economic problem in the past — could temporarily shut the door.
 That is why Greece still pays more for its money than most other European countries, including Germany, where yields are the lowest on the Continent. Ten-year German bonds pay about 3.80 percent, 2 percentage points less than Greek bonds.
 Many investors are betting on the monetary union and on Greece, whose 10-year bonds offer the highest yields in Europe. Yields in the U.S. Treasury market may determine the interest rates paid by companies and investors around the world, but the pull of the European monetary union is drawing Greek

yields within reach of those in America.
 Greek bonds have rallied relentlessly since October, with the yield on bonds due in 2008 tumbling to 6.08 percent from 8.75 percent.
 The result: the gap between Greek yields and comparable U.S. yields narrowed to 1.9 percentage points from 2.91 points. Greece's long bond, due in 2014, pays just 0.6 of a point more than the 30-year Treasury, the most widely followed yield in the world.
 As those spreads are a barometer of the risk investors perceive in Greek debt, they are pointing to fair weather.
 The showing has helped make Greece a stand-out performer among global bond markets.
 Measured in dollars, the Greek 2008 bond returned 24.53 percent in the past year, more than twice the return on seven- to 10-year Treasuries. Only British and Italian bonds did better.

Oil Prices Leave Shell With Loss

LONDON — Royal Dutch/Shell Group said Thursday that it lost \$3.74 billion in the fourth quarter, driving its full-year profit sharply lower, on losses in its chemicals unit and falling crude oil prices.
 The company, which earned \$1.63 billion in the fourth quarter of 1997, said improvement would be difficult in the short term.
 "In Europe and the U.S., a possible economic slowdown could affect oil demand growth and may restrict any further upswing in the margins," the company said.
 The company reported net income of \$330 million for all of 1998, compared with \$7.75 billion in 1997, a 95 percent drop. On a current-cost-of-supplies basis, with special charges included, the company reported adjusted earnings of \$5.14 billion, down 36 percent from the 1997 figure of \$8.03 billion.
 Shell's shares fell 1.00 euro (\$1.13) to 38.55 in Amsterdam and dropped 6.75 pence (11 cents) to 332.50 in London.

Investor's Europe				
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
5000	5000	4000		
4500	4500	3500		
4000	4000	3000		
3500	3500	2500		
1998	1998	1998		
Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam AEX		518.07	512.49	+1.08
Brussels BEL-20		3,353.20	3,328.73	+0.74
Frankfurt DAX		4,839.33	4,796.82	+0.89
Copenhagen Stock Market		619.46	619.79	-0.05
Helsinki HEX General		5,858.00	5,679.65	+3.14
Oslo OBX		535.87	537.82	-0.36
London FTSE 100		5,888.50	5,770.20	+2.05
Madrid Stock Exchange		661.58	657.93	+0.43
Milan MIBTEL		23011	22845	+1.62
Paris CAC 40		4,072.34	4,001.93	+1.76
Stockholm SX 16		3,950.50	3,947.96	+0.06
Vienna ATX		1,082.58	1,080.89	+0.15
Zurich SPI		4,368.27	4,362.03	+0.14

Very briefly:

- Investor AB, the main financial company of the Wallenberg business empire, said net asset value rose 6 percent in 1998. It also named Marcus Wallenberg chief executive, succeeding Claes Dahlback.
- Philips Electronics NV's net profit more than doubled to 13.34 billion guilders (\$6.87 billion) in 1998, mainly from the sale of its 75 percent stake in the PolyGram entertainment group.
- British Telecommunications PLC is cutting 700 jobs, or 4.5 percent of its work force, and planning £70.5 million in charges, though the British-based parent of an international manufacturing group said the fourth-quarter business climate had proved better than it had warned.
- Touristik Union International, a unit of Europe's biggest tourism company, Preussag AG, bought a 50.1 percent stake in the German travel and tourism company L.TUR for an undisclosed sum.
- AB Volvo's 1998 profit after financial items fell 12 percent, to 11.62 billion kronor (\$1.47 billion), in line with market expectations of 11.64 billion kronor. But sales rose 16 percent, to 212.9 billion kronor.
- German retail sales fell 4.7 percent in December against a year earlier, but economists said the results were due to the fact that stores were open only three Saturdays in December, compared with four in December 1997.
- Lufthansa AG signed an agreement with SNCF to sell tickets for French trains as Europe's second-biggest airline seeks to expand into France. The pact with the French national railway operator lets Lufthansa passengers use high-speed trains from Paris's Charles de Gaulle Airport to the cities of Lyon, Nantes and Saint-Pierre-des-Corps.
- Clariant AG's 1998 sales fell 6 percent, in line with expectations, and the Swiss specialty chemicals company, said it still expected to report higher profit for 1998 and 1999.

Bloomberg, AFP, Reuters, Bridge News

RUSSIA: A Bank Scandal Continues

Continued from Page 1

ector, surprised many members of the Duma with his lacerating charges that Fimaco, based in the Channel Islands, with a charter capital of only \$1.00 (\$1,000), secretly handled the Russian currency reserves between 1993 and 1998.
 Boris Fyodorov, who was finance minister in 1993, told reporters that he repeatedly asked the head of the central bank, Viktor Geraschenko, about the reserves. "But I ran up against a wall of silence," he said. "They refused to provide me with any information."
 He added, "I was told that the central bank was a separate organization and I am meddling in things that are not within my brief."
 Mr. Geraschenko headed the central bank until 1994 and was reappointed last year.
 "In reality," Mr. Fyodorov said of the currency reserves, "friends were given a chance to make some money."
 "When billions of dollars are pumped through some company without any risk, when someone gets a certain permission, it turns out to be quite a big one in the long run," he said. "This is tens of millions of dollars."
 Mr. Geraschenko has reportedly sealed a more detailed report on the affair.
 He has given conflicting accounts about Fimaco, which he said was a unit of Eurobank, one of the central bank's foreign subsidiaries.
 In remarks to the Duma, he said,

"The central bank technically could not handle its foreign reserves in the early 1990s on its own."
 But he has also claimed the device was used to hide assets from the London Club and Paris Club creditors who hold Soviet-era debt. They might have tried to seize central bank assets during debt restructuring negotiations in 1994, he said.
 Sergei Dubinin, who was central bank chief in the mid-1990s until resigning after the Aug. 17 ruble devaluation last year, attacked Mr. Skuratov's allegations in an open letter Thursday to President Boris Yeltsin, also signed by his former deputy, Sergei Alexashenko.
 They said the estimate of \$50 billion being passed through Fimaco was too high; that Fimaco was set up earlier, in 1990, and the last money taken out in 1997. They claimed the company was used to shield the currency reserves from seizure by courts and insisted that the secret company should be kept that way.
 The scandal could prove sticky for Prime Minister Yevgeny Primakov, who is trying to persuade the International Monetary Fund, and other Western creditors, to give Russian billions of dollars in debt relief this year.
 Moreover, Mr. Primakov has vowed a crackdown on corruption but has made no visible moves to unveil the full details of the investigation of the central bank.
 Mr. Geraschenko is backed by Mr. Primakov's allies in the Communist Party, while Mr. Dubinin was close to the reformers.

LVMH Seeks Board Seat To Influence Gucci Directly

Bloomberg News
AMSTERDAM — Moët Hennessey Louis Vuitton SA, the world's leading luxury-goods maker, said Thursday that it was seeking a seat on Gucci Group NV's board to anchor its influence after amassing a 34.4 percent stake in the Italian fashion house.
 LVMH asked Gucci to hold a special shareholders' meeting to consider adding a ninth member to its board.
 Gucci said its supervisory board would review the request in the coming days, although it was determined to chart its own course under its chief executive, Domenico De Sole, and the Texan designer Tom Ford, a team that put glamour and profits back into Gucci.
 LVMH, which increased its stake in Gucci four times in January, fueled speculation that it wanted to buy the Amsterdam-based company. That prospect has led Gucci stock to rise more than 40 percent so far this year.
 The Competition Office of the European Commission is investigating whether LVMH's stake in Gucci gives it a concentration in the company, Gucci said.
 "This has all been very bizarre," said Janet Kloppenborg of BancBoston Robertson, Steph-

ens. LVMH has been "very aggressive" in its pursuit, she said, and the movement of Gucci's stock has been surprising.
 LVMH wants to put Umberto Guida on Gucci's board. Mr. Guida is former managing director of Promodes SA, the second-largest French food retailer.
 Ms. Kloppenborg said the request to fill a board seat was no surprise. "With almost 35 percent of the company, they certainly deserve it," she said.
 For LVMH, which owns the Christian Dior fashion house and the Louis Vuitton luxury brand, a takeover of Gucci would give it control of another brand of leather bags and fashion. Gucci would get the backing of a company more than eight times its size and access to a bigger sales network.
 The Gucci company has become increasingly attractive since Mr. De Sole, a Harvard-educated lawyer, and Mr. Ford, the designer, brought it back to profit in 1994.
 LVMH, which is headed by the chief executive and controlling shareholder Bernard Arnault, has been adding to its holdings this year. On Wednesday, Giuseppe Brusone, managing director of Giorgio Armani SpA, said LVMH had approached Armani about "integrating" the two companies.

WORLD STOCK MARKETS

Thursday, Feb. 11
 Prices in local currencies
 in euros for EMU countries.
 Telex

High Low Close Prev.

Amsterdam AEX index: 5187.00
 Previous: 5172.00

Brussels BEL-20 index: 3353.20
 Previous: 3328.73

Copenhagen Stock index: 619.46
 Previous: 619.79

Frankfurt DAX index: 4839.33
 Previous: 4796.82

Helsinki HEX index: 5858.00
 Previous: 5679.65

London FTSE 100 index: 5888.50
 Previous: 5770.20

Madrid IBEX 35 index: 661.58
 Previous: 657.93

Milan MIB index: 23011.00
 Previous: 22845.00

Paris CAC 40 index: 4072.34
 Previous: 4001.93

Stockholm SX 16 index: 3950.50
 Previous: 3947.96

Vienna ATX index: 1082.58
 Previous: 1080.89

Zurich SPI index: 4368.27
 Previous: 4362.03

Buenos Aires Merval index: 281.91
 Previous: 282.87

Sao Paulo Ibovespa index: 3213.49
 Previous: 3213.49

Bombay S&P 100 index: 3213.49
 Previous: 3213.49

Bangkok SET index: 3114.74
 Previous: 3114.74

Brussels BEL-20 index: 3353.20
 Previous: 3328.73

Copenhagen Stock index: 619.46
 Previous: 619.79

Frankfurt DAX index: 4839.33
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High Low Close Prev.

New World Info: 11.50 11.50 11.50 11.50

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High Low Close Prev.

Brussels BEL-20 index: 3353.20
 Previous: 3328.73

Copenhagen Stock index: 619.46
 Previous: 619.79

Frankfurt DAX index: 4839.33
 Previous: 4796.82

Helsinki HEX index: 5858.00
 Previous: 5679.65

London FTSE 100 index: 5888.50
 Previous: 5770.20

Madrid IBEX 35 index: 661.58
 Previous: 657.93

Milan MIB index: 23011.00
 Previous: 22845.00

Paris CAC 40 index: 4072.34
 Previous: 4001.93

Stockholm SX 16 index: 3950.50
 Previous: 3947.96

Vienna ATX index: 1082.58
 Previous: 1080.89

Zurich SPI index: 4368.27
 Previous: 4362.03

Buenos Aires Merval index: 281.91
 Previous: 282.87

Sao Paulo Ibovespa index: 3213.49
 Previous: 3213.49

Bombay S&P 100 index: 3213.49
 Previous: 3213.49

Bangkok SET index: 3114.74
 Previous: 3114.74

Brussels BEL-20 index: 3353.20
 Previous: 3328.73

Copenhagen Stock index: 619.46
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 Previous: 4796.82

Helsinki HEX index: 5858.00
 Previous: 5679.65

INTERNATIONAL INVESTING

Very briefly:

• **Foreign investment in Shanghai slumped** 24 percent last year to \$3.68 billion as the Asian financial crisis took its toll, and Chinese officials predicted more pain for the commercial city, with foreign investment of only \$3 billion for 1999.

● **Saatchi & Saatchi PLC** shares appear likely to rise, analysts said, citing new business pulled in by the British advertising agency and an increase in ad spending by two of its key clients, Procter & Gamble Co. and Toyota Motor Corp. *Reuters, Bloomberg*

Toyota Motor Corp. **REUTERS, BLOOMBERG**

RLAND

place Feb. 2 and Feb. 3.

Cotsakos, the chairman and
ative of General Atlantic who

Also selling large blocks of E*Trade's common stock were William Porter, E*Trade's chief financial officer, and Debra J. Chrapaty, the company's general counsel.

BANQUE SYZ S.C.O.

February 11, 1999

Katy Houris: Fax (33-1) 41 43 92 12 or e-mail: funds@hnt.com

Questions supplied by fund groups to: STANDARDS & POOR'S WORLDWIDE, 333-44 20 00 00, e-mail: kathy@hnt.com

funds subscribe at: e-funds@hnt.com

http://www.hnt.com/HNTFUN/funds.htm

172 MERRILL LYNCH BANK (US) \$A	223.80	124 INTRAVEN CAPITAL MANAGEMENT	1.0762	101 US Bond Plus Pk (CHF)	101.89	158 OCEAN FUND LIMITED	117.11	101 US Bond Plus Pk (CHF)	101.89	158 OCEAN FUND LIMITED	117.11
173 MERRILL LYNCH BANK (US) \$A	223.80	125 MERRILL LYNCH BANK (US) \$A	1.0762	102 US Bond Plus Pk (CHF)	101.89	159 OCEAN FUND LIMITED	117.11	102 US Bond Plus Pk (CHF)	101.89	159 OCEAN FUND LIMITED	117.11
174 MERRILL LYNCH BANK (US) \$A	223.80	126 MERRILL LYNCH BANK (US) \$A	1.0762	103 US Bond Plus Pk (CHF)	101.89	160 OCEAN FUND LIMITED	117.11	103 US Bond Plus Pk (CHF)	101.89	160 OCEAN FUND LIMITED	117.11
175 MERRILL LYNCH BANK (US) \$A	223.80	127 MERRILL LYNCH BANK (US) \$A	1.0762	104 US Bond Plus Pk (CHF)	101.89	161 OCEAN FUND LIMITED	117.11	104 US Bond Plus Pk (CHF)	101.89	161 OCEAN FUND LIMITED	117.11
176 MERRILL LYNCH BANK (US) \$A	223.80	128 MERRILL LYNCH BANK (US) \$A	1.0762	105 US Bond Plus Pk (CHF)	101.89	162 OCEAN FUND LIMITED	117.11	105 US Bond Plus Pk (CHF)	101.89	162 OCEAN FUND LIMITED	117.11
177 MERRILL LYNCH BANK (US) \$A	223.80	129 MERRILL LYNCH BANK (US) \$A	1.0762	106 US Bond Plus Pk (CHF)	101.89	163 OCEAN FUND LIMITED	117.11	106 US Bond Plus Pk (CHF)	101.89	163 OCEAN FUND LIMITED	117.11
178 MERRILL LYNCH BANK (US) \$A	223.80	130 MERRILL LYNCH BANK (US) \$A	1.0762	107 US Bond Plus Pk (CHF)	101.89	164 OCEAN FUND LIMITED	117.11	107 US Bond Plus Pk (CHF)	101.89	164 OCEAN FUND LIMITED	117.11
179 MERRILL LYNCH BANK (US) \$A	223.80	131 MERRILL LYNCH BANK (US) \$A	1.0762	108 US Bond Plus Pk (CHF)	101.89	165 OCEAN FUND LIMITED	117.11	108 US Bond Plus Pk (CHF)	101.89	165 OCEAN FUND LIMITED	117.11
180 MERRILL LYNCH BANK (US) \$A	223.80	132 MERRILL LYNCH BANK (US) \$A	1.0762	109 US Bond Plus Pk (CHF)	101.89	166 OCEAN FUND LIMITED	117.11	109 US Bond Plus Pk (CHF)	101.89	166 OCEAN FUND LIMITED	117.11
181 MERRILL LYNCH BANK (US) \$A	223.80	133 MERRILL LYNCH BANK (US) \$A	1.0762	110 US Bond Plus Pk (CHF)	101.89	167 OCEAN FUND LIMITED	117.11	110 US Bond Plus Pk (CHF)	101.89	167 OCEAN FUND LIMITED	117.11
182 MERRILL LYNCH BANK (US) \$A	223.80	134 MERRILL LYNCH BANK (US) \$A	1.0762	111 US Bond Plus Pk (CHF)	101.89	168 OCEAN FUND LIMITED	117.11	111 US Bond Plus Pk (CHF)	101.89	168 OCEAN FUND LIMITED	117.11
183 MERRILL LYNCH BANK (US) \$A	223.80	135 MERRILL LYNCH BANK (US) \$A	1.0762	112 US Bond Plus Pk (CHF)	101.89	169 OCEAN FUND LIMITED	117.11	112 US Bond Plus Pk (CHF)	101.89	169 OCEAN FUND LIMITED	117.11
184 MERRILL LYNCH BANK (US) \$A	223.80	136 MERRILL LYNCH BANK (US) \$A	1.0762	113 US Bond Plus Pk (CHF)	101.89	170 OCEAN FUND LIMITED	117.11	113 US Bond Plus Pk (CHF)	101.89	170 OCEAN FUND LIMITED	117.11
185 MERRILL LYNCH BANK (US) \$A	223.80	137 MERRILL LYNCH BANK (US) \$A	1.0762	114 US Bond Plus Pk (CHF)	101.89	171 OCEAN FUND LIMITED	117.11	114 US Bond Plus Pk (CHF)	101.89	171 OCEAN FUND LIMITED	117.11
186 MERRILL LYNCH BANK (US) \$A	223.80	138 MERRILL LYNCH BANK (US) \$A	1.0762	115 US Bond Plus Pk (CHF)	101.89	172 OCEAN FUND LIMITED	117.11	115 US Bond Plus Pk (CHF)	101.89	172 OCEAN FUND LIMITED	117.11
187 MERRILL LYNCH BANK (US) \$A	223.80	139 MERRILL LYNCH BANK (US) \$A	1.0762	116 US Bond Plus Pk (CHF)	101.89	173 OCEAN FUND LIMITED	117.11	116 US Bond Plus Pk (CHF)	101.89	173 OCEAN FUND LIMITED	117.11
188 MERRILL LYNCH BANK (US) \$A	223.80	140 MERRILL LYNCH BANK (US) \$A	1.0762	117 US Bond Plus Pk (CHF)	101.89	174 OCEAN FUND LIMITED	117.11	117 US Bond Plus Pk (CHF)	101.89	174 OCEAN FUND LIMITED	117.11
189 MERRILL LYNCH BANK (US) \$A	223.80	141 MERRILL LYNCH BANK (US) \$A	1.0762	118 US Bond Plus Pk (CHF)	101.89	175 OCEAN FUND LIMITED	117.11	118 US Bond Plus Pk (CHF)	101.89	175 OCEAN FUND LIMITED	117.11
190 MERRILL LYNCH BANK (US) \$A	223.80	142 MERRILL LYNCH BANK (US) \$A	1.0762	119 US Bond Plus Pk (CHF)	101.89	176 OCEAN FUND LIMITED	117.11	119 US Bond Plus Pk (CHF)	101.89	176 OCEAN FUND LIMITED	117.11
191 MERRILL LYNCH BANK (US) \$A	223.80	143 MERRILL LYNCH BANK (US) \$A	1.0762	120 US Bond Plus Pk (CHF)	101.89	177 OCEAN FUND LIMITED	117.11	120 US Bond Plus Pk (CHF)	101.89	177 OCEAN FUND LIMITED	117.11
192 MERRILL LYNCH BANK (US) \$A	223.80	144 MERRILL LYNCH BANK (US) \$A	1.0762	121 US Bond Plus Pk (CHF)	101.89	178 OCEAN FUND LIMITED	117.11	121 US Bond Plus Pk (CHF)	101.89	178 OCEAN FUND LIMITED	117.11
193 MERRILL LYNCH BANK (US) \$A	223.80	145 MERRILL LYNCH BANK (US) \$A	1.0762	122 US Bond Plus Pk (CHF)	101.89	179 OCEAN FUND LIMITED	117.11	122 US Bond Plus Pk (CHF)	101.89	179 OCEAN FUND LIMITED	117.11
194 MERRILL LYNCH BANK (US) \$A	223.80	146 MERRILL LYNCH BANK (US) \$A	1.0762	123 US Bond Plus Pk (CHF)	101.89	180 OCEAN FUND LIMITED	117.11	123 US Bond Plus Pk (CHF)	101.89	180 OCEAN FUND LIMITED	117.11
195 MERRILL LYNCH BANK (US) \$A	223.80	147 MERRILL LYNCH BANK (US) \$A	1.0762	124 US Bond Plus Pk (CHF)	101.89	181 OCEAN FUND LIMITED	117.11	124 US Bond Plus Pk (CHF)	101.89	181 OCEAN FUND LIMITED	117.11
196 MERRILL LYNCH BANK (US) \$A	223.80	148 MERRILL LYNCH BANK (US) \$A	1.0762	125 US Bond Plus Pk (CHF)	101.89	182 OCEAN FUND LIMITED	117.11	125 US Bond Plus Pk (CHF)	101.89	182 OCEAN FUND LIMITED	117.11
197 MERRILL LYNCH BANK (US) \$A	223.80	149 MERRILL LYNCH BANK (US) \$A	1.0762	126 US Bond Plus Pk (CHF)	101.89	183 OCEAN FUND LIMITED	117.11	126 US Bond Plus Pk (CHF)	101.89	183 OCEAN FUND LIMITED	117.11
198 MERRILL LYNCH BANK (US) \$A	223.80	150 MERRILL LYNCH BANK (US) \$A	1.0762	127 US Bond Plus Pk (CHF)	101.89	184 OCEAN FUND LIMITED	117.11	127 US Bond Plus Pk (CHF)	101.89	184 OCEAN FUND LIMITED	117.11
199 MERRILL LYNCH BANK (US) \$A	223.80	151 MERRILL LYNCH BANK (US) \$A	1.0762	128 US Bond Plus Pk (CHF)	101.89	185 OCEAN FUND LIMITED	117.11	128 US Bond Plus Pk (CHF)	101.89	185 OCEAN FUND LIMITED	117.11
200 MERRILL LYNCH BANK (US) \$A	223.80	152 MERRILL LYNCH BANK (US) \$A	1.0762	129 US Bond Plus Pk (CHF)	101.89	186 OCEAN FUND LIMITED	117.11	129 US Bond Plus Pk (CHF)	101.89	186 OCEAN FUND LIMITED	117.11
201 MERRILL LYNCH BANK (US) \$A	223.80	153 MERRILL LYNCH BANK (US) \$A	1.0762	130 US Bond Plus Pk (CHF)	101.89	187 OCEAN FUND LIMITED	117.11	130 US Bond Plus Pk (CHF)	101.89	187 OCEAN FUND LIMITED	117.11
202 MERRILL LYNCH BANK (US) \$A	223.80	154 MERRILL LYNCH BANK (US) \$A	1.0762	131 US Bond Plus Pk (CHF)	101.89	188 OCEAN FUND LIMITED	117.11	131 US Bond Plus Pk (CHF)	101.89	188 OCEAN FUND LIMITED	117.11
203 MERRILL LYNCH BANK (US) \$A	223.80	155 MERRILL LYNCH BANK (US) \$A	1.0762	132 US Bond Plus Pk (CHF)	101.89	189 OCEAN FUND LIMITED	117.11	132 US Bond Plus Pk (CHF)	101.89	189 OCEAN FUND LIMITED	117.11
204 MERRILL LYNCH BANK (US) \$A	223.80	156 MERRILL LYNCH BANK (US) \$A	1.0762	133 US Bond Plus Pk (CHF)	101.89	190 OCEAN FUND LIMITED	117.11	133 US Bond Plus Pk (CHF)	101.89	190 OCEAN FUND LIMITED	117.11
205 MERRILL LYNCH BANK (US) \$A	223.80	157 MERRILL LYNCH BANK (US) \$A	1.0762	134 US Bond Plus Pk (CHF)	101.89	191 OCEAN FUND LIMITED	117.11	134 US Bond Plus Pk (CHF)	101.89	191 OCEAN FUND LIMITED	117.11
206 MERRILL LYNCH BANK (US) \$A	223.80	158 MERRILL LYNCH BANK (US) \$A	1.0762	135 US Bond Plus Pk (CHF)	101.89	192 OCEAN FUND LIMITED	117.11	135 US Bond Plus Pk (CHF)	101.89	192 OCEAN FUND LIMITED	117.11
207 MERRILL LYNCH BANK (US) \$A	223.80	159 MERRILL LYNCH BANK (US) \$A	1.0762	136 US Bond Plus Pk (CHF)	101.89	193 OCEAN FUND LIMITED	117.11	136 US Bond Plus Pk (CHF)	101.89	193 OCEAN FUND LIMITED	117.11
208 MERRILL LYNCH BANK (US) \$A	223.80	160 MERRILL LYNCH BANK (US) \$A	1.0762	137 US Bond Plus Pk (CHF)	101.89	194 OCEAN FUND LIMITED	117.11	137 US Bond Plus Pk (CHF)	101.89	194 OCEAN FUND LIMITED	117.11
209 MERRILL LYNCH BANK (US) \$A	223.80	161 MERRILL LYNCH BANK (US) \$A	1.0762	138 US Bond Plus Pk (CHF)	101.89	195 OCEAN FUND LIMITED	117.11	138 US Bond Plus Pk (CHF)	101.89	195 OCEAN FUND LIMITED	117.11
210 MERRILL LYNCH BANK (US) \$A	223.80	162 MERRILL LYNCH BANK (US) \$A	1.0762	139 US Bond Plus Pk (CHF)	101.89	196 OCEAN FUND LIMITED	117.11	139 US Bond Plus Pk (CHF)	101.89	196 OCEAN FUND LIMITED	117.11
211 MERRILL LYNCH BANK (US) \$A	223.80	163 MERRILL LYNCH BANK (US) \$A	1.0762	140 US Bond Plus Pk (CHF)	101.89	197 OCEAN FUND LIMITED	117.11	140 US Bond Plus Pk (CHF)	101.89	197 OCEAN FUND LIMITED	117.11
212 MERRILL LYNCH BANK (US) \$A	223.80	164 MERRILL LYNCH BANK (US) \$A	1.0762	141 US Bond Plus Pk (CHF)	101.89	198 OCEAN FUND LIMITED	117.11	141 US Bond Plus Pk (CHF)	101.89	198 OCEAN FUND LIMITED	117.11
213 MERRILL LYNCH BANK (US) \$A	223.80	165 MERRILL LYNCH BANK (US) \$A	1.0762	142 US Bond Plus Pk (CHF)	101.89	199 OCEAN FUND LIMITED	117.11	142 US Bond Plus Pk (CHF)	101.89	199 OCEAN FUND LIMITED	117.11
214 MERRILL LYNCH BANK (US) \$A	223.80	166 MERRILL LYNCH BANK (US) \$A	1.0762	143 US Bond Plus Pk (CHF)	101.89	200 OCEAN FUND LIMITED	117.11	143 US Bond Plus Pk (CHF)	101.89	200 OCEAN FUND LIMITED	117.11
215 MERRILL LYNCH BANK (US) \$A	223.80	167 MERRILL LYNCH BANK (US) \$A	1.0762	144 US Bond Plus Pk (CHF)	101.89	201 OCEAN FUND LIMITED	117.11	144 US Bond Plus Pk (CHF)	101.89	201 OCEAN FUND LIMITED	117.11
216 MERRILL LYNCH BANK (US) \$A	223.80	168 MERRILL LYNCH BANK (US) \$A	1.0762	145 US Bond Plus Pk (CHF)	101.89	202 OCEAN FUND LIMITED	117.11	145 US Bond Plus Pk (CHF)	101.89	202 OCEAN FUND LIMITED	117.11
217 MERRILL LYNCH BANK (US) \$A	223.80	169 MERRILL LYNCH BANK (US) \$A	1.0762	146 US Bond Plus Pk (CHF)	101.89	203 OCEAN FUND LIMITED	117.11	146 US Bond Plus Pk (CHF)	101.89	203 OCEAN FUND LIMITED	117.11
218 MERRILL LYNCH BANK (US) \$A	223.80	170 MERRILL LYNCH BANK (US) \$A	1.0762	147 US Bond Plus Pk (CHF)	101.89	204 OCEAN FUND LIMITED	117.11	147 US Bond Plus Pk (CHF)	101.89	204 OCEAN FUND LIMITED	117.11
219 MERRILL LYNCH BANK (US) \$A	223.80	171 MERRILL LYNCH BANK (US) \$A	1.0762	148 US Bond Plus Pk (CHF)	101.89	205 OCEAN FUND LIMITED	117.11	148 US Bond Plus Pk (CHF)	101.89	205 OCEAN FUND LIMITED	117.11
220 MERRILL LYNCH BANK (US) \$A	223.80	172 MERRILL LYNCH BANK (US) \$A	1.0762	149 US Bond Plus Pk (CHF)	101.89	206 OCEAN FUND LIMITED	117.11	149 US Bond Plus Pk (CHF)	101.89	206 OCEAN FUND LIMITED	117.11
221 MERRILL LYNCH BANK (US) \$A	223.80	173 MERRILL LYNCH BANK (US) \$A	1.0762	150 US Bond Plus Pk (CHF)	101.89	207 OCEAN FUND LIMITED	117.11	150 US Bond Plus Pk (CHF)	101.89	207 OCEAN FUND LIMITED	117.11
222 MERRILL LYNCH BANK (US) \$A	223.80	174 MERRILL LYNCH BANK (US) \$A	1.0762	151 US Bond Plus Pk (CHF)	101.89	208 OCEAN FUND LIMITED	117.11	151 US Bond Plus Pk (CHF)	101.89	208 OCEAN FUND LIMITED	117.11
223 MERRILL LYNCH BANK (US) \$A	223.80	175 MERRILL LYNCH BANK (US) \$A	1.0762	152 US Bond Plus Pk (CHF)	101.89	209 OCEAN FUND LIMITED	117.11	152 US Bond Plus Pk (CHF)	101.89	209 OCEAN FUND LIMITED	117.11
224 MERRILL LYNCH BANK (US) \$A	223.80	176 MERRILL LYNCH BANK (US) \$A	1.0762	153 US Bond Plus Pk (CHF)	101.89	210 OCEAN FUND LIMITED	117.11	153 US Bond Plus Pk (CHF)	101.89	210 OCEAN FUND LIMITED	117.11
225 MERRILL LYNCH BANK (US) \$A	223.80	177 MERRILL LYNCH BANK (US) \$A	1.0762	154 US Bond Plus Pk (CHF)	101.89	211 OCEAN FUND LIMITED	117.11	154 US Bond Plus Pk (CHF)	101.89	211 OCEAN FUND LIMITED	117.11
226 MERRILL LYNCH BANK (US) \$A	223.80	178 MERRILL LYNCH BANK (US) \$A	1.0762	155 US Bond Plus Pk (CHF)	101.89	212 OCEAN FUND LIMITED	117.11	155 US Bond Plus Pk (CHF)	101.89	212 OCEAN FUND LIMITED	117.11
227 MERRILL LYNCH BANK (US) \$A	223.80	179 MERRILL LYNCH BANK (US) \$A	1.0762	156 US Bond Plus Pk (CHF)	101.89	213 OCEAN FUND LIMITED	117.11	156 US Bond Plus Pk (CHF)	101.89	213 OCEAN FUND LIMITED	117.11
228 MERRILL LYNCH BANK (US) \$A	223.80	180 MERRILL LYNCH BANK (US) \$A	1.0762	157 US Bond Plus Pk (CHF)	101.89	214 OCEAN FUND LIMITED	117.11	157 US Bond Plus Pk (CHF)	101.89	214 OCEAN FUND LIMITED	117.11
229 MERRILL LYNCH BANK (US) \$A	223.80	181 MERRILL LYNCH BANK (US) \$A	1.0762	158 US Bond Plus Pk (CHF)	101.89	215 OCEAN FUND LIMITED	117.11	158 US Bond Plus Pk (CHF)	101.89	215 OCEAN FUND LIMITED	117.11
230 MERRILL LYNCH BANK (US) \$A	223.80	182 MERRILL LYNCH BANK (US) \$A	1.0762	159 US Bond Plus Pk (CHF)	101.89	216 OCEAN FUND LIMITED	117.11	159 US Bond Plus Pk (CHF)	101.89	216 OCEAN FUND LIMITED	117.11
231 MERRILL LYNCH BANK (US) \$A	223.80	183 MERRILL LYNCH BANK (US) \$A	1.0762	160 US Bond Plus Pk (CHF)	101.89	217 OCEAN FUND LIMITED	117.11	160 US Bond Plus Pk (CHF)	101.89	217 OCEAN FUND LIMITED	117.11
232 MERRILL LYNCH BANK (US) \$A	223.80	184 MERRILL LYNCH BANK (US) \$A	1.0762	161 US Bond Plus Pk (CHF)	101.89	218 OCEAN FUND LIMITED	117.11	161 US Bond Plus Pk (CHF)	101.89	218 OCEAN FUND LIMITED	117.11
233 MERRILL LYNCH BANK (US) \$A	223.80	185 MERRILL LYNCH BANK (US) \$A	1.0762	162 US Bond Plus Pk (CHF)	101.89	219 OCEAN FUND LIMITED	117.11	162 US Bond Plus Pk (CHF)	101.89	219 OCEAN FUND LIMITED	117.11
234 MERRILL LYNCH BANK (US) \$A	223.80	186 MERRILL LYNCH BANK (US) \$A	1.0762	163 US Bond Plus Pk (CHF)	101.89	220 OCEAN FUND LIMITED	117.11	163 US Bond Plus Pk (CHF)	101.89	220 OCEAN FUND LIMITED	117.11
235 MERRILL LYNCH BANK (US) \$A	223.80	187 MERRILL LYNCH BANK (US) \$A	1.0762	164 US Bond Plus Pk (CHF)	101.89	221 OCEAN FUND LIMITED	117.11	164 US Bond Plus Pk (CHF)	101.89	221 OCEAN FUND LIMITED	117.11
236 MERRILL LYNCH BANK (US) \$A	223.80	188 MERRILL LYNCH BANK (US) \$A	1.0762	165 US Bond Plus Pk (CHF)	101.89	222 OCEAN FUND LIMITED	117.11	165 US Bond Plus Pk (CHF)	101.89	222 OCEAN FUND LIMITED	117.11
237 MERRILL LYNCH BANK (US) \$A	223.80	189 MERRILL LYNCH BANK (US) \$A	1.0762	166 US Bond Plus Pk (CHF)	101.89	223 OCEAN FUND LIMITED	117.11	166 US Bond Plus Pk (CHF)	101.89	223 OCEAN FUND LIMITED	117.11
238 MERRILL LYNCH BANK (US) \$A	223.80	190 MERRILL LYNCH BANK (US) \$A	1.0762	167 US Bond Plus Pk (CHF)	101.89	224 OCEAN FUND LIMITED	117.11	167 US Bond Plus Pk (CHF)	101.89	224 OCEAN FUND LIMITED	117.11
239 MERRILL LYNCH BANK (US) \$A	223.80	191 MERRILL LYNCH BANK (US) \$A	1.0762	168 US Bond Plus Pk (CHF)	101.89	225 OCEAN FUND LIMITED	117.11	168 US Bond Plus Pk (CHF)	101.89	225 OCEAN FUND LIMITED	117.11
240 MERRILL LYNCH BANK (US) \$A	223.80	192 MERRILL LYNCH BANK (US) \$A	1.0762	169 US Bond Plus Pk (CHF)	101.89	226 OCEAN FUND LIMITED	117.11	169 US Bond Plus Pk (CHF)	101.89	226 OCEAN FUND LIMITED	117.11
241 MERRILL LYNCH BANK (US) \$A	223.80	193 MERRILL LYNCH BANK (US) \$A	1.0762	170 US Bond Plus Pk (CHF)	101.89	227 OCEAN FUND LIMITED	117.11	170 US Bond Plus Pk (CHF)	101.89	227 OCEAN FUND LIMITED	117.11
242 MERRILL LYNCH BANK (US) \$A	223.80	194 MERRILL LYNCH BANK (US) \$A	1.0762	171 US Bond Plus Pk (CHF)	101.89	228 OCEAN FUND LIMITED	117.11	171 US Bond Plus Pk (CHF)	101.89	228 OCEAN FUND LIMITED	117.11
243 MERRILL LYNCH BANK (US) \$A	223.80	195 MERRILL LYNCH BANK (US) \$A	1.0762	172 US Bond Plus Pk (CHF)	101.89	229 OCEAN FUND LIMITED	117.11	172 US Bond Plus Pk (CHF)	101.89	229 OCEAN FUND LIMITED	117.11
244 MERRILL LYNCH BANK (US) \$A	223.80	196 MERRILL LYNCH BANK (US) \$A	1.0762	173 US Bond Plus Pk (CHF)	101.89	230 OCEAN FUND LIMITED	117.11	173 US Bond			

WORLD ROUNDUP

2 Tie at 67 in Dubai

GOLF Paul McGinley and Phil Price avoided the fierce rough Thursday in shoot 67s and share the lead after the first round of the Dubai Desert Classic. Jose Maria Olazabal, the defending champion, shared the lead with one hole to play, but double-bogeyed the 18th after driving into water. (AP)

4 Held in Betting Scam

SOCCER The police in London arrested four men in connection with a betting scam that involved games being stopped by light failures.

The four were arrested on suspicion of burglary at Charlton Athletic's stadium, The Valley, on Wednesday night. Police would not identify them.

Scotland Yard has been investigating several matches that were called off halfway through when the lights went out.

Detectives are investigating a power failure at a Wimbledon vs. Arsenal game at Selhurst Park, which followed previous problems at Derby and West Ham. The lights went off seconds into the second half when the score was 0-0.

Fired — by His Mother

FOOTBALL Michael McCaskey was removed as president of the Chicago Bears in the wake of a bungled coaching announcement.

McCaskey was moved to chairman of the board. The restructuring was announced by his mother, Virginia Halas McCaskey, majority stockholder and daughter of the founder of the team, George Halas.

Ted Phillips, vice president for football operations and chief financial officer, was named president.

Dave McGinnis turned down the coaching job after McCaskey announced his hiring prematurely.

The New Orleans Saints will not re-sign the quarterback Kerry Collins. Mike Ditka, the Saints coach, cited the 14 turnovers Collins committed as the main reason.

The Saints claimed him from the Carolina Panthers on Oct. 14 but were 2-5 in games he started. (AP)

Owners 3, Players 0

BASERBALL The Los Angeles Dodgers beat Mark Grudzielanek in salary arbitration Thursday, giving owners a 3-0 lead in cases decided this year. The infielder will be paid \$1.9 million rather than the \$2.6 million he sought. (AP)

France Wins At Wembley, 2-0, a First Since 1957

LONDON — World champion France, wearing its mantle with grace and ease, may be looking toward a sustained period of European soccer domination following Wednesday's comfortable 2-0 victory over England at Wembley.

The victory, France's first at Wembley in five appearances going back to

World Soccer

1957, came on two second-half goals from Nicolas Anelka.

"We are not world champions for nothing," beamed French coach Roger Lemerre. "It won't be long before Wembley is knocked down and rebuilt, and it's a great pleasure for a French team to come here and win."

Playing against three defenders who are teammates for the London club Arsenal, Anelka hit the crossbar in the 63rd minute with a shot that appeared to cross the goal line, then scored in the 69th and 76th minutes, both good finishes, after Zinedine Zidane, the world player of the year, had cut through England with three passes.

"He has scored not two goals but three," Lemerre said. "As far as I am concerned, the first one was a goal."

The game at Wembley may not have had Euro 2000 qualifying points at stake, but there was no question about its importance.

"The myth of Wembley may be disappearing," Lemerre said, as Anelka became the first Frenchman to score against England at Wembley Stadium.

The loss did little to enhance Howard Wilkinson's chances of becoming England's coach. Playing under Wilkinson for the first time, England started well but was eventually overwhelmed by a French team that is now unbeaten in 17 matches spanning 11 months.

While France was turning on the style in London, Parisian fans had the chance to watch Portugal and the Netherlands do battle in the Parc des Princes.

And while there were no goals, the mostly Portuguese crowd of 30,000 had plenty of action as both teams opted for all-out attack.

Portuguese midfielder Paulo Bento missed the best chance of the night when he blasted a volley over the bar in the first half.

But the Dutch also came close, particularly after Real Madrid midfielder



Eusebio Di Francesco of Italy, left, fighting for the ball with Roar Strand of Norway during the teams' 0-0 draw in a friendly match in Pisa.

Clarence Seedorf and Utrecht striker Michael Mals came on as second half substitutes.

A well-taken 45th minute goal by Ebbe Sand, a cool left after a 40-meter run, sealed a 1-0 victory for Denmark over Croatia, which finished third in the World Cup.

Cold and heavy rain in Split, Croatia, made the pitch difficult for the players, and it caused a 12-minute power failure seven minutes before the end of the match.

Croatia carved out several good chances but was repeatedly denied by goalkeeper Peter Schmeichel.

In Pisa, Italy drew, 0-0, with a team it had beaten in the World Cup. Italy hit the woodwork twice but failed to puncture a stubborn Norwegian defense.

Roberto Baggio curled a free kick against the inside of Thomas Myhre's leftpost net in the fourth minute and Marco Delvecchio later hooked a volley past Myhre, but again it bounced off the post and was cleared.

Norway forced its way into the match in the second half, but neither side created clear-cut chances.

Paraguay, which reached the second round of France 98, lost, 2-0, to Ireland in Dublin.

A Denis Irwin penalty and a goal by substitute David Connolly gave Ireland

a comfortable victory over Paraguay, with the South Americans fielding only two of the players who forced France to a golden goal victory in the World Cup second round.

Wojciech Kowalczyk put Poland ahead in the first minute of their friendly against Finland, played in Valetta, Malta, but Rangers striker Jonatan Johansson equalized after 20 minutes, and the game finished at 1-1.

In the night's two European championship qualifiers, Cyprus beat San Marino, 4-0, in Nicosia to claim their biggest-ever international victory, while Yugoslavia cruised past Malta 3-0 in Valetta.

On Tuesday, Germany drew, 3-3, with Colombia in Miami after losing, 3-0, to the United States on Saturday.

Joan Sorin's header in the 67th minute gave Argentina a 1-0 victory against Mexico on Wednesday night in a friendly in Los Angeles.

Jorge Campos, the Mexican goalkeeper, parried a shot by Guillermo Barreto Schelomo, but Sorin dived behind Campos to head the ball into the net from close range.

Argentina's roster included only three members from last year's World Cup team. Nevertheless, Argentina dominated a Mexican side that had 11 World Cup veterans.

(Reuters, AP)

New Olympic Chief Hired by Utah Panel

Mitt Romney Vows 'Highest Level' of Ethics

The Associated Press
SALT LAKE CITY, Utah — Salt Lake City's Olympic committee launched an internal shake-up Thursday that included hiring a new chief — the Massachusetts venture capitalist Mitt Romney.

"My goal is to make Utah proud, to make America proud," Romney said in taking over as president and chief executive officer.

As the Salt Lake Organizing Committee undertook sweeping reforms, including new conflict of interest rules, three of its leading members resigned.

The committee gave Romney its unanimous endorsement to take over the committee running the 2002 Winter Games, which has been rocked by the biggest corruption scandal in the history of the Olympics.

These Games and the preparations leading up to the Games will comply with the highest level of ethical conduct," Romney vowed.

Acting on proposals by the Utah governor, Mike Leavitt, the committee approved expanding its board of trustees from 33 to 50 and stripping it of its decision-making authority, making it an advisory board to a new management committee of 20.

Leavitt also gave any organizing committee member with a perceived conflict of interest 60 days to resign. Two trustees directly affected — Earl Holding and Alan Layton — quit immediately.

Layton's construction company won a \$29 million contract to enclose the speedskating oval. Holding is the owner of Snowbasin Ski Area, which will get \$13.8 million from the organizing committee as the downhill and super-G venue, and Little America Grand, a hotel being built downtown that is expected to be the IOC's home during the Games.

Also resigning was Vert Topham, president of Utah Power, who had served on the original bid committee. He said he was doing so for the good of the Games.

The Salt Lake Organizing Committee also adopted an open meetings and records policy and said that all of its members would be required to attend 75 percent of meetings.

Romney said he did not believe the Olympic movement would be permanently stained by the scandal, in which the bid committee executives were found to have engaged in unethical conduct in spending more than \$1 million to curry favor with 24 members of the International Olympic Committee in order to win the games for Salt Lake City.

"The managers have messed up big

time," he said. "The athletes haven't. Our job is to go to work for the athletes."

Romney pledged to spend no more money than the Olympics take in, to spare taxpayers from funding and to protect the state's environment.

"Utahns will share in the thrill of the Olympic Games," he said.

Romney, the choice of Leavitt and the organizing committee chairman, Robert Garff, met with members of a hastily organized selection committee Tuesday night, hours after an internal ethics committee released its report saying that bid committee executives had engaged in unethical conduct.

Romney, 51, a Republican who unsuccessfully challenged Senator Ted Kennedy for the U.S. Senate in 1994, is the son of the late Governor George Romney of Michigan.

He lives in Belmont, Massachusetts, and also has a home in Park City, Utah. He graduated from Mormon church-owned Brigham Young University in Provo, Utah, and has been a Mormon bishop (lay leader of a congregation) and stake president (leader of a group of congregations) in Massachusetts.

Romney's Boston company, Bain Capital Inc., specializes in buying companies and turning them around. Domino's was a recent acquisition.

The ethics report linked another 10 IOC members to the scandal, bringing to 24 — a fifth of its membership — the number of delegates accused of accepting excessive benefits.

Senior Olympic officials said Thursday that the IOC would investigate the 10 even though not all of the new cases appear to warrant expulsion.

The IOC director general, Francois Carrard, said the 10 new names cited in the Salt Lake City ethics report were not necessarily guilty of major offenses.

"We will look into all these matters, but prima facie, some of the cases do not necessarily appear to be serious," Carrard said in a telephone interview from Lausanne, Switzerland. "This doesn't mean we will not go to the bottom of the matter. If, after careful study, we find we have to make further recommendations, we will make them."

Nine members have either resigned or been expelled by the IOC executive board. Three others remain under investigation, one received a warning and one has died.

The IOC marketing director, Michael Payne, in New York on Thursday to meet with Olympic sponsors, said the IOC was doing everything in its power to stamp out corruption and institute reform.

"The managers have messed up big

time," he said. "The athletes haven't. Our job is to go to work for the athletes."

"The managers have messed up big

GENERAL

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Agassi's Mouth Fouls Him Out of Match

The Associated Press
SAN JOSE, California — Andre Agassi, leading by a set and seemingly on his way to an easy victory over an unheralded opponent, was defaulted from the Sybase Open for a series of "audible obscenities."

Agassi, a four-time champion and the second seed in the tournament this year, won the first set 6-0 on Wednesday over the qualifier, Cecil Mamiit. In a second-set tiebreaker, trailing four points to none, Agassi began cursing.

Agassi said the curses were directed at himself and that he covered his mouth with his hand when he said the last two "h" three obscenities.

"I was shocked," Agassi said. "I never thought in a million years how that transpired that it would bring an end to the match."

"I've personally been involved in acting much worse," he went on, "and have never been involved in anything like this."

Agassi was ejected from the RCA Championships in Indianapolis in 1996 for cursing officials.

A linesman, Al Klassen, went to chair umpire Steve Ulrich to report Agassi's first comment, and Agassi was warned for an audible obscenity. As Klassen returned to his chair, Agassi made another comment and was penalized a

point for another audible obscenity.

As Klassen returned to his chair a second time, Agassi repeated his previous comment, and the ATP tour supervisor, Tom Barnes, was called to the court. He conferred with Ulrich, who penalized Agassi for verbal abuse and defaulted him — awarding the second-round match to Mamiit.

"It's very sad to see it happen," Barnes said. "I'm sad for the players, both of them. I'm sad for Andre. I'm sad for the officials. I'm sad for the fans — they certainly didn't come to hear that."

Barnes said Klassen was simply following procedure when he heard each of the three obscenities. Once they have been reported and the umpire has assessed a warning and a penalty point, Barnes said, there is little choice but to default a player for the third violation.

"It's pretty rare to get to the third step," Barnes said. "It doesn't happen very often."

Agassi said he was frustrated by the penalty and repeatedly stressed that the words were aimed at himself. He said he knew a third code violation would result in a default, but that he lost control.

"In the heat of battle, that was a bad decision on my part," Agassi said. "By the same token, it was a bad decision on the umpire's part and the linesman's part."

Mamiit, who did not hear Agassi's curses, was disappointed that the match was over and asked Ulrich if there was any way that it could continue.

"I felt I was cheated," said Mamiit, who reached the quarterfinals of an ATP tour event for the first time in his career. "I was playing well. I wanted to find out the end result of the match."

Agassi won his first-round match, 6-2, 6-1, on Monday night against Todd Woodbridge and seemed to be heading for another easy victory over Mamiit when he made several mistakes to fall behind in the tiebreaker.

Because of the default, Agassi could face a fine of up to \$20,000, a loss of ranking points and a loss of the \$5,500 in prize money he earned at the Sybase Open.

Goldman Upsets Kucera
Jerome Goldman beat Karol Kucera, the fifth seed, 7-6 (8-6), 6-1, Thursday in the Dubai Open. The Associated Press reported from Dubai.

Top seed Alex Corretja, fourth-seed Greg Rusedski and sixth-seed Albert Costa have also been eliminated.

In another match, Gustavo Kneren needed just 49 minutes to end the run of Belgian qualifier Johan Van Herck, winning 6-3, 6-2 to earn a place in the quarterfinals.

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SPORTS

Low-Profile Sonics Beat Warriors

The Associated Press
The Seattle SuperSonics stayed unbeaten and the Golden State Warriors remained winless.

Gary Payton scored 24 points as the Sonics beat the Warriors 89-82 on Wednesday. Seattle improved to 4-0, its best

NBA ROUNDOUP

start since winning 10 straight to open the 1993-94 season, while Golden State dropped to 0-4.

"We don't want to be recognized right now," Payton said. "Let the Warriors, Utah, San Antonio and Lakers, let them have the recognition. We're just going to keep winning games."

The Warriors, blown out by 19 points Tuesday night in Seattle, were much more competitive in the rematch in Oakland.

"I thought we played hard," said the Warriors coach, P.J. Carlesimo. "This was the third game that we put ourselves in a position to win. I think it is important for the players to know that we didn't get it done and we are not satisfied with that."

Kelcie 101, Wizards 88 Larry Johnson scored 18 points and Patrick Ewing and Charlie Ward added 16 apiece as New York beat Washington.

Chris Childs added 13 points, nine assists and eight rebounds for the Knicks, who won their first game after opening 0-2.

New York played without Larell Spivey, who is out three to six weeks with a stress fracture of his right heel.

Juwan Howard scored 29 and Mitch Richmond 23 for visiting Washington.

Cavaliers 87, Hornets 77 In Charlotte, Brevin Knight keyed a third-quarter run that helped Cleveland get its first victory. Knight scored 12 of his 14 points in the second half, including six in the decisive surge, and added five assists and three steals. Shawn Kemp had 20 points and 13 rebounds for Cleveland.

Magic 89, Nets 81 Penny Hardaway and Nick Anderson each scored 21 points as Orlando won in New Jersey.

Hardaway also had eight rebounds and six assists as the Magic improved to 3-1. The Nets, playing without injured guards Sam Cassell, Kerry Kittles and Eric Murdock, fell to 1-2.

Rockets 92, Kings 82 In Houston, Hakeem Olajuwon had 19 points and 13 rebounds and Charles Barkley added 16 points and 16 rebounds as Houston beat Sacramento.

The Rockets trailed 69-66 going into the fourth quarter, but they took the lead for good at 77-76 with 6:39 left when Scottie Pippen hit a pair of free throws.

Lakers 103, Nuggets 98 Kobe Bryant had 21 points and 10 rebounds as Los Angeles held off winless Denver.

Shaquille O'Neal added 29 points and Eddie Jones 21 for the visiting Lakers, who were outscored 53-33 despite O'Neal's presence. The rookie Raef LaFrentz led the Nuggets with 10 points and 12 rebounds as Denver fell to 0-4.

Grizzlies 105, Clippers 99 In Vancouver, Shaheed Abdul-Rahim scored 35 points as the winless Los Angeles Clippers were dealt their third straight loss.

The rookie Mike Bibby had 18 points and 12 assists as the Grizzlies won their

first game after two losses. A Clippers rookie, Michael Olowokandi, had 17 points and nine rebounds. Olowokandi was the first overall pick in the draft and Bibby was second.

Trail Blazers 100, Pacers 92 In Portland, Isaiah Rider had 26 points and 11 rebounds and Damon Stoudamire added 23 points as the Trail Blazers beat Indiana.

Rik Smits scored 23 points for Indiana but got little help from the Pacers' other top scorers. Reggie Miller, who came in averaging 22.7 points, was held to 12.

Mark Jackson scored only three points and Chris Mullin had one point.

6-Year Extension for Ray Allen

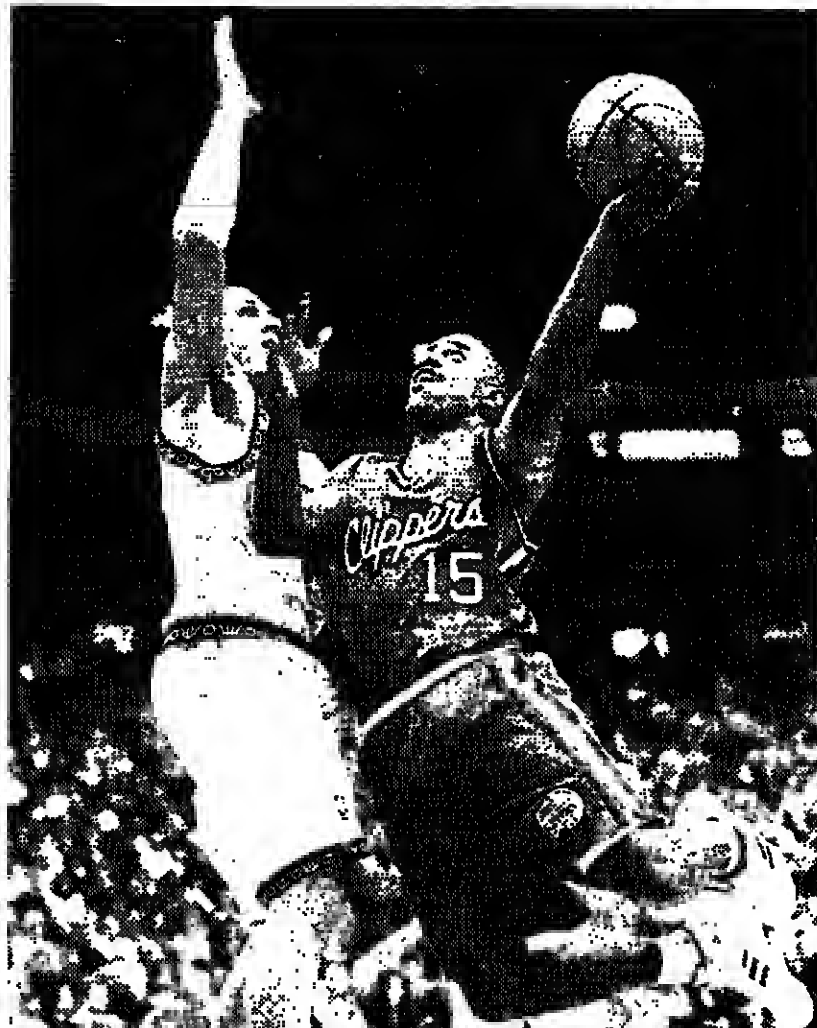
Ray Allen, who starred alongside Dennis Washington last year in the Spike Lee movie, "He Got Game," has signed a six-year, \$70.9 million contract extension with the Milwaukee Bucks. The Associated Press reported from Milwaukee.

The pact is nearly identical to those signed recently by fellow rising stars Kobe Bryant, Allen Iverson, Shaheed Abdul-Rahim and Antawn Walker.

The difference is that Allen won't have to fork over a 4 percent commission — or \$2,836,000 — to an agent.

"I don't need somebody skimming millions off the top," said Allen, who paid a team of lawyers, a business manager and an accountant at an hourly rate of \$500.

Allen negotiated directly with team owner Herb Kohl, the senior U.S. senator from Wisconsin.



Darrick Martin of the Clippers shooting over Mike Bibby of the Grizzlies.

Francis Quits The Gardens With 5 Points To Beat Leafs

The Associated Press

Ron Francis has fond memories of Toronto's Maple Leaf Gardens as a boy. It's likely he won't forget his last game there as a National Hockey League player, either.

He played his final game at the Gardens on Wednesday night, scoring

NHL ROUNDOUP

five points to lead the Carolina Hurricanes to a 6-5 victory over the Maple Leafs.

"A lot of great games have been played here," said the 35-year-old Francis, a native of Sault Ste. Marie, Ontario, who grew up in a Maple Leafs fan.

The Maple Leafs will play their final game in the Gardens on Saturday against Chicago before opening their new Air Canada Center against the Montreal Canadiens on Feb. 20.

Blues 5, Lightning 4 In Tampa, Pavel Demitra and Terry Yake scored third-period goals as St. Louis rallied to hand the Lightning their seventh straight loss.

Sharks 5, Blackhawks 2 Joe Murphy had two power-play goals and left

Norton scored another, leading San Jose to victory.

The Sharks ended the game last in the league in power-play efficiency with only 29 goals in 248 attempts for an 11.7 percentage. They cashed in on three of seven power-play opportunities Wednesday night. The loss was the Blackhawks' sixth straight.

Coyotes 3, Kings 0 In Phoenix, Nikolai Khabibulin made 26 saves for his sixth shutout and Greg Adams scored twice as the Coyotes beat Los Angeles.

Mighty Ducks 5, Flyers 4 Anaheim dealt visiting Philadelphia only its second loss in 25 games and ended the Flyers' eight-game unbeaten streak as Fredrik Olausson had two goals and two assists.

Teemu Selanne also scored twice and recorded his 600th NHL point with an assist on Steve Richardson's power-play goal, leading the Ducks to their fourth successive victory.

Stars 4, Oilers 3 In Edmonton, Jari Kurri scored twice and Mats Wilander scored once as the Stars beat the Oilers.

Canadiens 4, Penguins 3 In Pittsburgh, Martin St. Louis scored twice and Saku Koivu scored once as the Canadiens beat the Penguins.

Red Wings 4, Devils 3 In New Jersey, Steve Yzerman scored twice and Darryl Syta scored once as the Red Wings beat the Devils.

Islanders 4, Rangers 3 In New York, Mats Wilander scored twice and Saku Koivu scored once as the Islanders beat the Rangers.

Blackhawks 4, Sharks 3 In San Jose, Jiri Tschopp scored twice and Darryl Syta scored once as the Blackhawks beat the Sharks.

Lightning 4, Blues 3 In St. Louis, Jeff Friesen scored twice and Darryl Syta scored once as the Lightning beat the Blues.

Maple Leafs 4, Hurricanes 3 In Carolina, Mats Wilander scored twice and Saku Koivu scored once as the Maple Leafs beat the Hurricanes.

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In 3d Defeat of Season, Cincinnati Admits It Lost Fair and Square

The Associated Press
The first two times No. 4 Cincinnati lost this season, there were controversial calls by the officials. Not this time.

Marquette beat the visiting Bearcats, 62-58, on Wednesday night.

"I'd be interested to see what they had to say tonight," said Mike Deane, the Marquette coach, referring to the Bearcats' comments that their 19-point January victory over the Eagles should have been more of a blowout.

He probably didn't like what he heard.

"I don't know if it's so much that they stayed with us as we didn't play hard," said Ryan Fletcher, who led Cincinnati with 15 points. "Not to take anything away from them — they played a good game and had a lot of heart. And that's something

we haven't had the last couple of weeks."

The Bearcats (21-3, 8-3 Conference USA) didn't have tales of woe after this loss, as they did after an

COLLEGE BASKETBALL

inadvertent whistle cost them at North Carolina-Charlotte and a disputed foul call at the overtime huddle led the same against DePaul last Saturday.

Brian Wardle led Marquette (12-12, 4-8) with 19 points, but it was big plays in the final minute by the freshman Oluoma Nnamaka that made the difference.

Nnamaka's three-point play with 39 seconds left broke a 54-54 tie, and the Swede's free throw with 9.1 seconds left provided the final margin.

No. 2 Connecticut 86, Boston College 50 Khalid El-Amin scored 19 points and the leading Con-

necticut scorer, Richard Hamilton, returned after missing two games because of an injury as the Huskies (21-1, 12-1 Big East) beat the Eagles (6-15, 3-10) for the 21st straight time.

No. 7 Maryland 63, North Carolina State 50 Terence Morris had 17 points and a career-high 16 rebounds for the visiting Terrapins (21-4, 9-3 Atlantic Coast Conference).

No. 10 Arizona 86, Arizona St. 80 Freshman Michael Wright scored 22 points, and the Wildcats (17-4, 9-3 Pac-10) won their 27th straight home game and their eighth in a row over the Sun Devils (13-11, 5-7).

No. 15 Wisconsin 57, Northwestern 45 Ty Calderwood scored 13 points, and the Badgers (20-5, 8-4 Big Ten) reached the 20-victory mark for the third time in school history. Evan Eschmeyer had 16

points for visiting Northwestern (14-7, 6-5).

No. 19 Iowa 76, No. 22 Minnesota 73 Dean Oliver scored 15 points to lead five double-figure scorers in the revamped Iowa starting lineup. The Hawkeyes (16-6, 7-5 Big Ten) allowed 185 points last week in losses to Purdue and Michigan State. Quincy Lewis finished with 30 points for the Gophers (14-7, 5-6).

Tennessee 91, No. 23 Florida 56 Brandon Wharton scored 20 points for the Volunteers (15-7, 7-4 Southeastern Conference), who snapped a two-game losing streak. Kenyan Weaks had 12 points for the Gators (16-6, 7-5).

Nebraska 64, No. 24 Kansas 57 Venson Hamilton and Larry Flench each scored 17 points for the Cornhuskers (16-8, 8-3 Big 12), who snapped a 15-year losing streak in Allen Fieldhouse. Ryan Robertson had 16 for the host Jayhawks (16-7, 8-3).

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The Tyranny of Snow

semble Bugs? Uchimura demurred: "We have not gotten any approval yet," he said, in a subtle admission of defeat.

"People are rushing to forgive who have no right to forgive."

Mr. Clinton "I'm awfully sorry"

R. R. M. Marcus
and Susan Schmidt

[illegible]

Mr. Starnes: "I am not a member of the American Association of University Professors, but I am a member of the American Association of Teachers of English."

[illegible]

No Long-Term Receipts

By Sandra Sengwara

OKYO) The Bank of Japan unexpectedly cut its discount rate in late 1964 to ease trade and financial problems of pressure on the dollar, and to help pull Japan out of its recession.

The central bank's move came after a leading shop of the yen fell in the price of Japanese government bonds, sending their interest rate down to an 18-month high of 10 percent in an 18-month decline from 28 percent. The huge economy of Japan is suffering the deflating effects of its own strength, according to U.S. officials, but it is one of the greatest threats to global financial stability.

But the decision by the Bank of Japan to lower its discount rate might well mean in the future that the yen might fall 10 to 15 percent from its present level, or expected to have little effect on the economy and to have only a small effect on the value of the bank's assets, says one analyst.

"I think it's rather disastrous," said

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Mellon's Will Enriches

WASHINGTON — The philanthropist Paul Mellon, who died on Feb. 1 at the age of 91, has left the National Gallery of Art the largest gift in its history, \$75 million in cash and more than 100 pictures worth many times that much, gallery officials said Wednesday night.

Mellon's will is said to specify that the gallery receive two oils by Vincent van Gogh: "Still Life of Oranges and Lemons With Blue Gloves," painted in 1889, and "Green Wheat Fields, Auvers," 1890, and works by Manet, Cézanne, Monet, Renoir and others.

The bequest also includes a dozen paintings by the American master Winslow Homer and works by other Americans, according to The Washington Post, which reported the gift in Thursday's editions.

Mellon had previously given more than 900 works of art to the gallery that his father, the financier Andrew Mellon, helped to found on the National Mall.

Construction of the gallery began in 1937 and was completed in 1941.

(go down in history)

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